
TENNESSEE
HIGHER EDUCATION COMMISSION

Profiles, Trends, and Policy Opportunities for Higher Education in Tennessee

Presented to the Tennessee Higher Education Commission

July 16, 2003

Foundational Constructs: Goals for Higher Education in Tennessee

Access

- All qualified students should have access to public post-secondary education
- *Funding formula based upon enrollment*

Equity

- All barriers to participation should be removed
- *Funding formula ensures that state appropriations are distributed equitably across institutions*

Quality

- All students should have the highest quality educational system affordable to them
- *Performance funding program rewards institutions for programmatic excellence.*

Measuring Up 2002: A Systems Approach to Higher Education

- **Preparation:** measures how well K-12 systems prepare students for college-level education and training.
- **Participation:** addresses the opportunity for state residents to enroll in higher education.
- **Affordability:** measures whether students and families can afford higher education, given current economic circumstances and levels of financial aid.
- **Completion:** addresses whether students continue through their educational program to earn degrees.
- **Benefits:** this category includes the economic and societal benefits that states receive as a result of having a well-educated workforce.

Tennessee's Performance in 2002

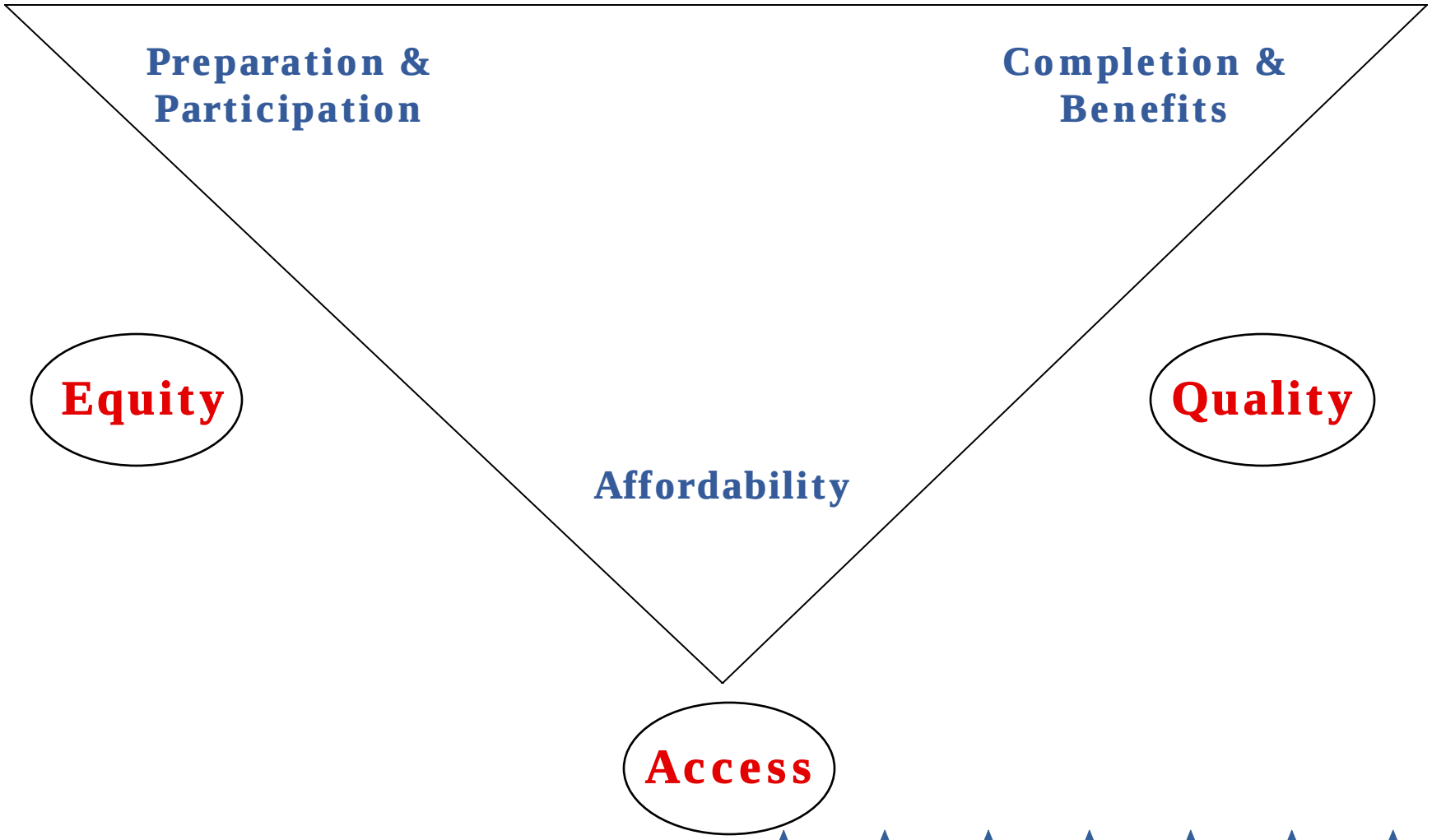
Measuring Up 2002 - Tennessee

	Category	2000	2002
I.	PREPARATION:	C-	D-
II.	PARTICIPATION:	D-	D+
III.	AFFORDABILITY:	C	D-
IV.	COMPLETION:	C	C+
V.	BENEFITS:	D+	D+

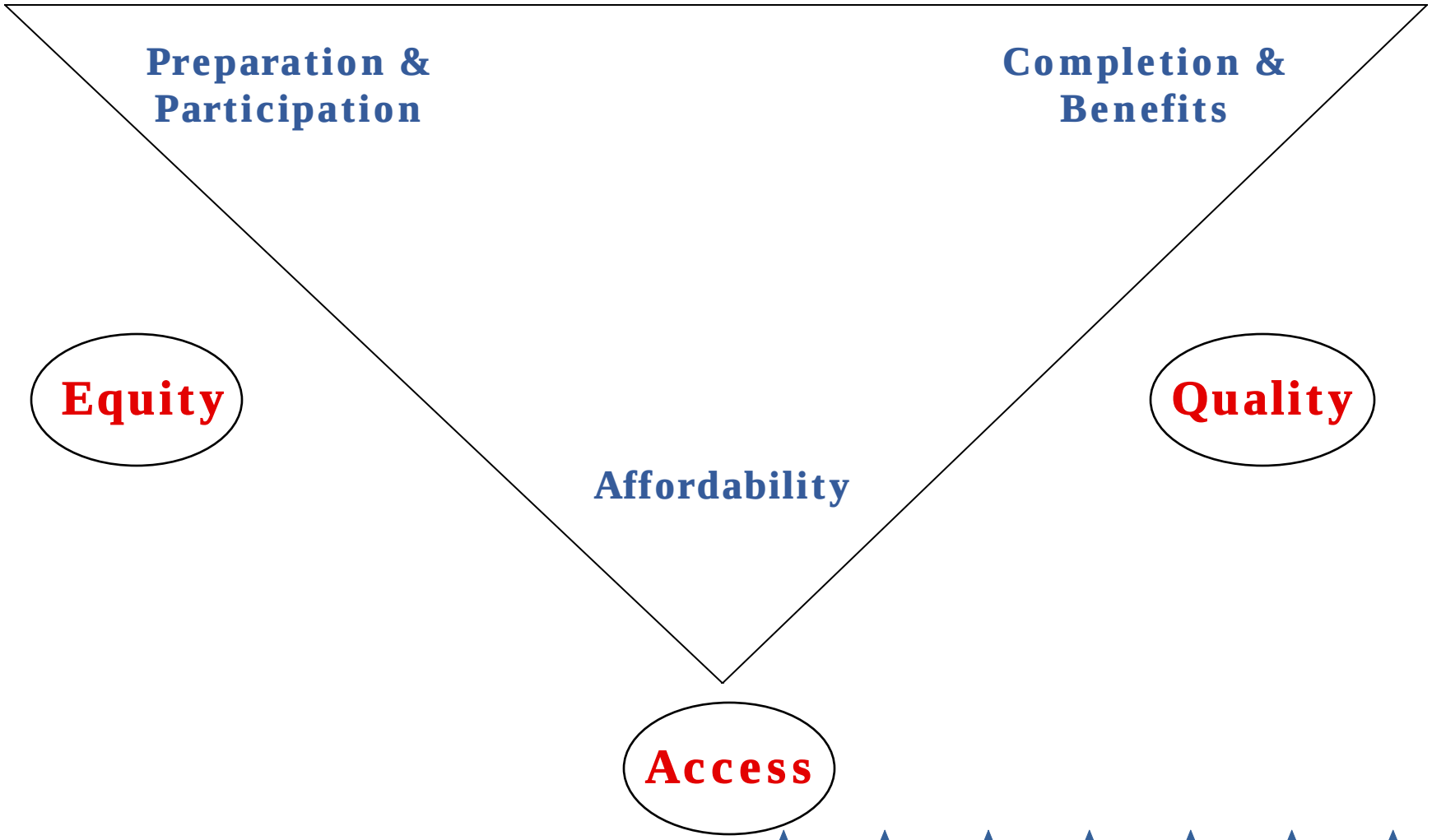
The Significance of *Measuring Up 2002* From a Systems Perspective

- The report provides policymakers with an objective set of information to assess the relative health of their systems of higher education.
- Policymakers must examine educational issues from a macro, rather than micro level. Disproportionate attention has historically been given to institutional rather than state-wide needs/issues.
- The era of institution building has come to an end and a new set of policy questions must be developed. The central concern for states should be whether their residents are able to participate in the a system of education that provides opportunities to obtain the benefits that accrue to those with higher learning.

Systems Theory and Higher Education



Systems Theory and Higher Education



Participation: Enrollment of Recent High School Graduates

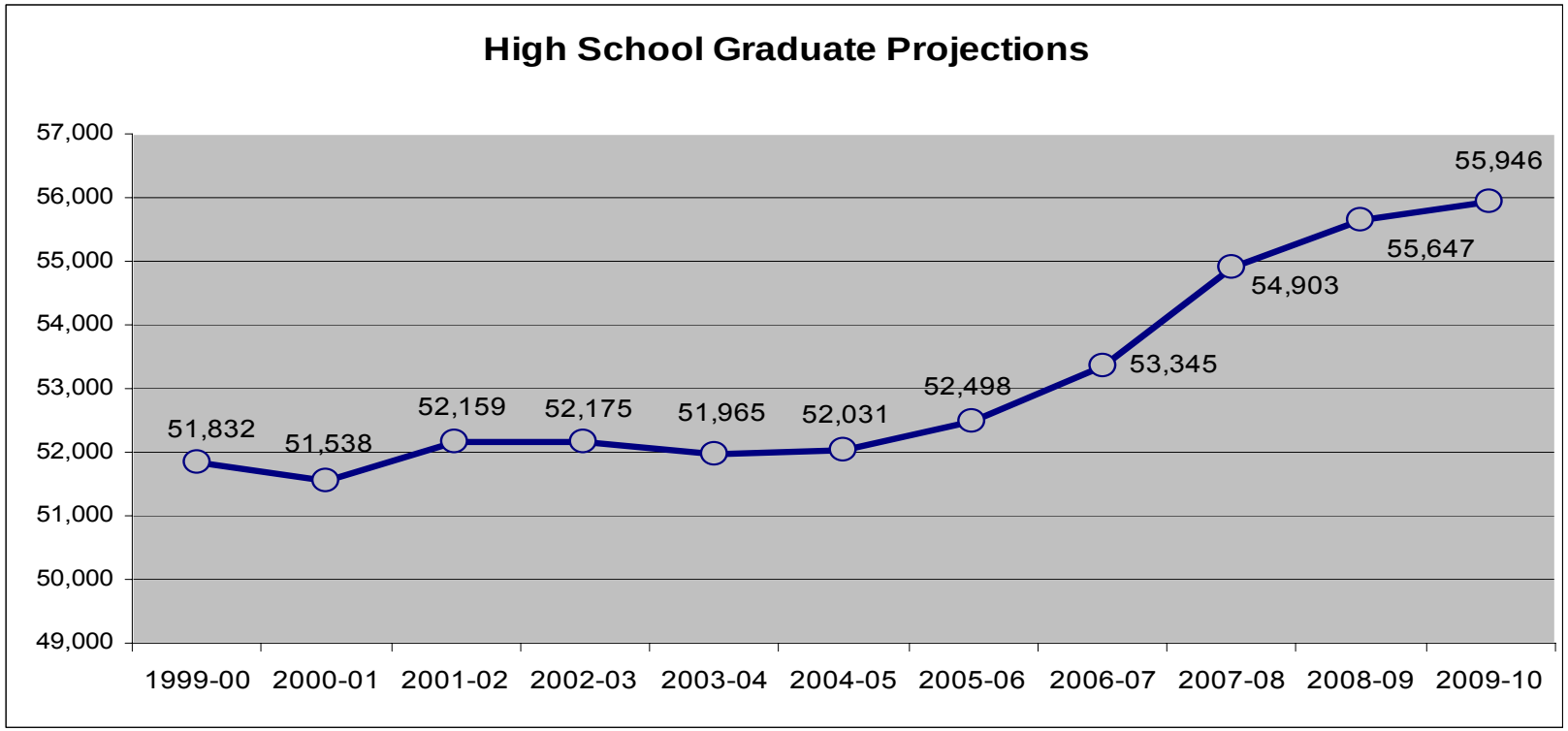
	Average Estimated Percent of Recent High School Graduates in College
United States	58
SREB states	55
Alabama	59
Arkansas	53
Delaware	62
Florida	52
Georgia	58
Kentucky	56
Louisiana	59
Maryland	57
Mississippi	63
North Carolina	61
Oklahoma	49
South Carolina	62
Tennessee	58
Texas	52
Virginia	54
West Virginia	52

- If Tennessee were to increase participation rates to the average of the top performing SREB states, we would expect to see an increase of 3,080 first time freshman entering higher education.

- Placing this number into a useable context, this is equivalent to the entire entering in-state freshmen class at the University of Tennessee, Knoxville.

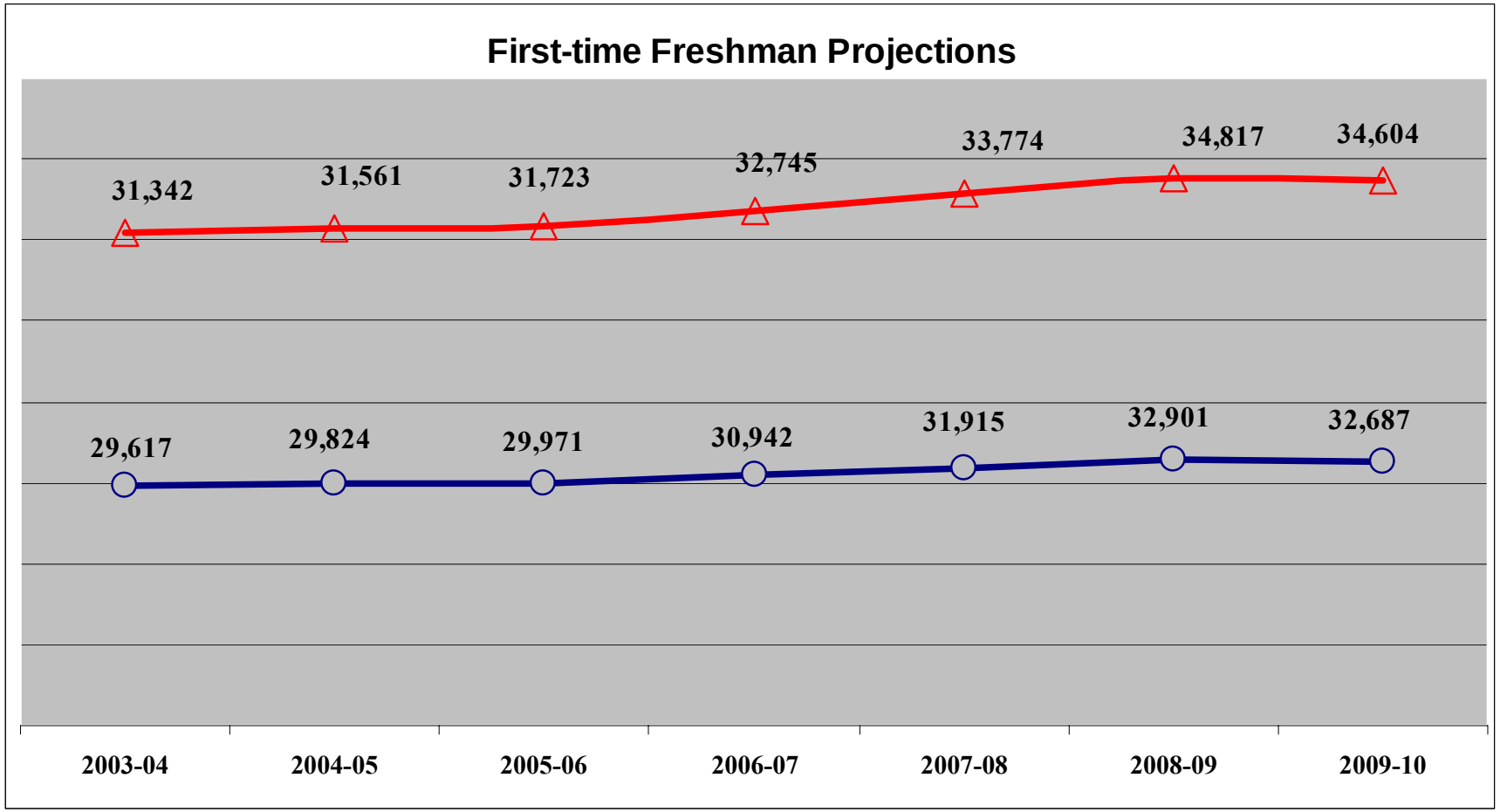
SREB Factbook 2002-03

Participation: High School Graduate Projections: 2000 - 2010



According to SREB, the number of graduates produced by public and private high schools in Tennessee will increase by 4,114 students from 2000 to 2010. Assuming that factors remain constant, this will yield @ 2,300 additional first-time freshman, which is comparable to the combined freshman classes at East Tennessee State University and Tennessee Technological University.

Participation: The Tennessee HOPE Scholarship Program



The Lottery Scholarship program will yield a nine percent increase in first-time freshman attending post-secondary education in Tennessee.

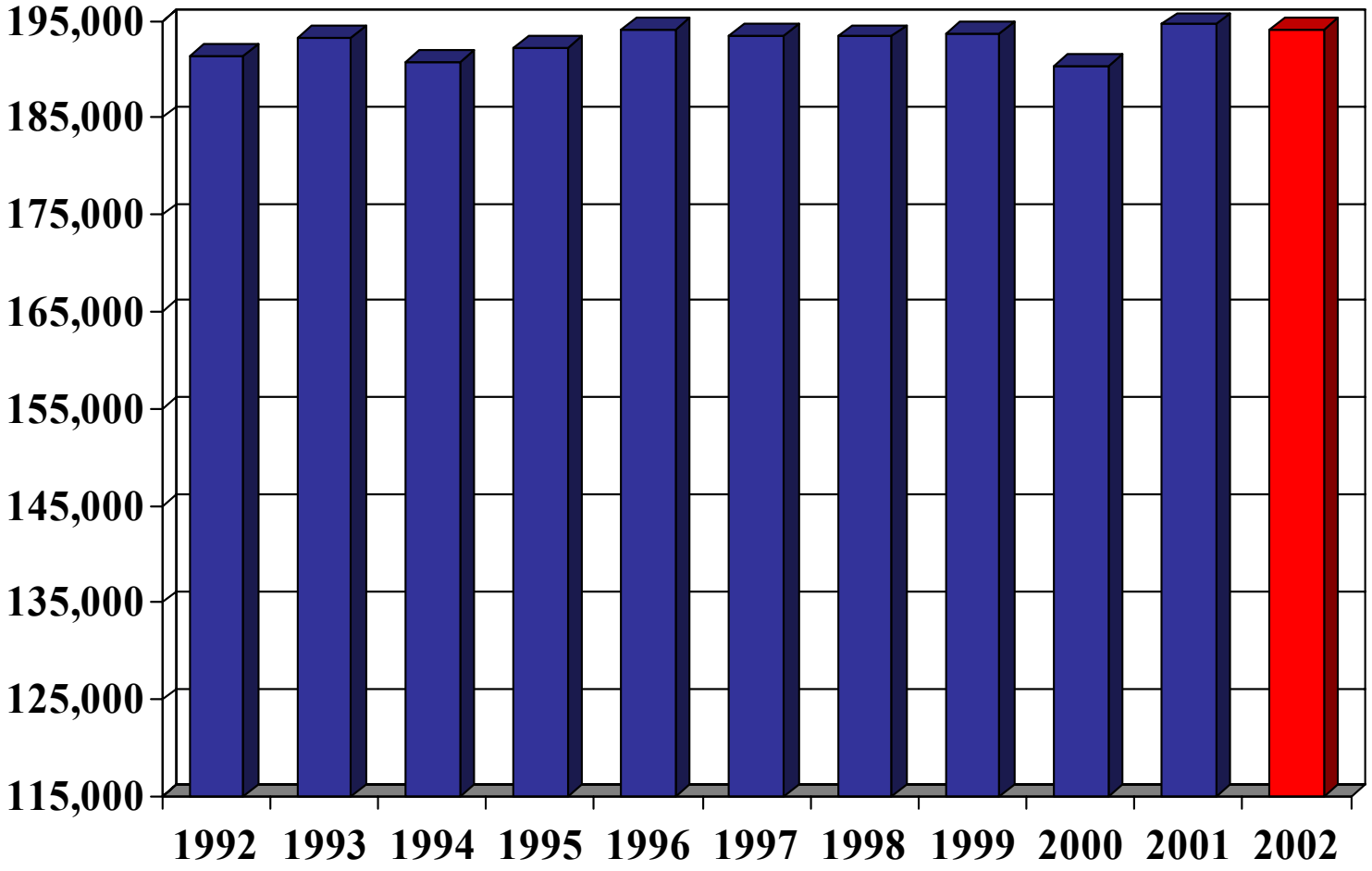
Preparation: ACT Performance

	ACT				SAT				Ranking
	1992		2002		1992		2002		2002
	Percent Tested	Average Score	Percent Tested	Average Score	Percent Tested	Average Score	Percent Tested	Average Score	
Nation	34%	20.6	39%	20.8	42%	1001	46%	1020	
AL	59%	19.8	75%	20.1	8%	1090	10%	1119	43
AR	63%	20.0	75%	20.2	6%	1085	6%	1116	42
DE	3%	21.9	2%	21.3	68%	1000	71%	1002	27
FL	32%	20.7	40%	20.4	47%	987	59%	995	36
GA	15%	20.4	22%	19.8	64%	948	70%	980	39
KY	63%	20.0	71%	20.0	11%	1083	11%	1102	46
LA	74%	19.4	78%	19.6	10%	1087	8%	1120	49
MD	5%	20.2	11%	20.4	62%	1008	67%	1020	11
MS	70%	18.8	86%	18.6	4%	1097	4%	1106	50
NC	5%	19.5	13%	19.9	57%	961	67%	998	33
OK	64%	20.0	71%	20.5	9%	1102	8%	1127	40
SC	5%	19.1	35%	19.2	64%	938	66%	981	38
TN	62%	20.2	95%	20.0	12%	1107	16%	1117	47
TX	31%	19.9	30%	20.1	47%	980	51%	991	37
VA	4%	21.2	11%	20.6	66%	995	68%	1016	15
WV	56%	19.8	64%	20.3	18%	1027	19%	1040	41

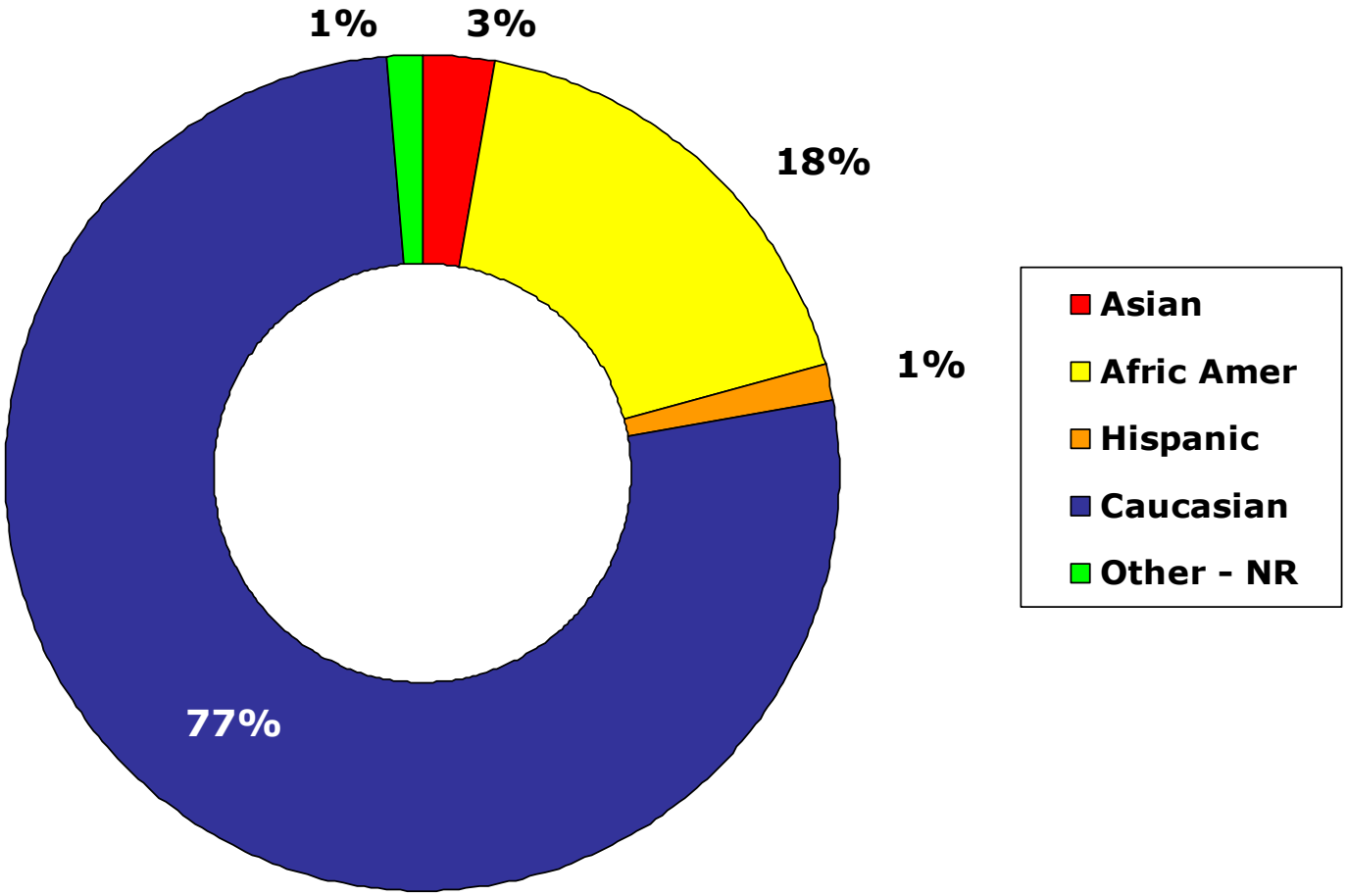
Preparation: Fall 2002 FTF 18 years of age and younger
Need for Remedial/Developmental Coursework - Full and Part-Time

	Total 18 yr. old Freshmen	No R&D Courses		Any R&D Course		Developmental Only		Remedial Only		Mix of R&D	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
UNIVERSITIES:											
APSU	526	307	58.37%	219	41.63%	195	37.07%	10	1.90%	14	2.66%
ETSU	866	595	68.71%	271	31.29%	271	31.29%	0	0.00%	0	0.00%
MTSU	1,826	1,250	68.46%	576	31.54%	546	29.90%	9	0.49%	21	1.15%
TSU	886	351	39.62%	535	60.38%	339	38.26%	39	4.40%	157	17.72%
TTU	679	469	69.07%	210	30.93%	192	28.28%	9	1.33%	9	1.33%
UM	1,076	793	73.70%	283	26.30%	248	23.05%	18	1.67%	17	1.58%
UTC	754	427	56.63%	327	43.37%	327	43.37%	0	0.00%	0	0.00%
UTK	2,260	2,245	99.34%	15	0.66%	15	0.66%	0	0.00%	0	0.00%
UTM	670	401	59.85%	269	40.15%	269	40.15%	0	0.00%	0	0.00%
Univ. Totals	9,543	6,774	70.98%	2,705	28.35%	2,402	25.17%	85	0.89%	218	2.28%
Two-Year Totals	4,776	1,847	38.67%	2,929	61.33%	2,199	46.04%	162	3.39%	568	11.89%
Grand Totals	14,319	8,685	60.65%	5,634	39.35%	4,601	32.13%	247	1.72%	786	5.49%

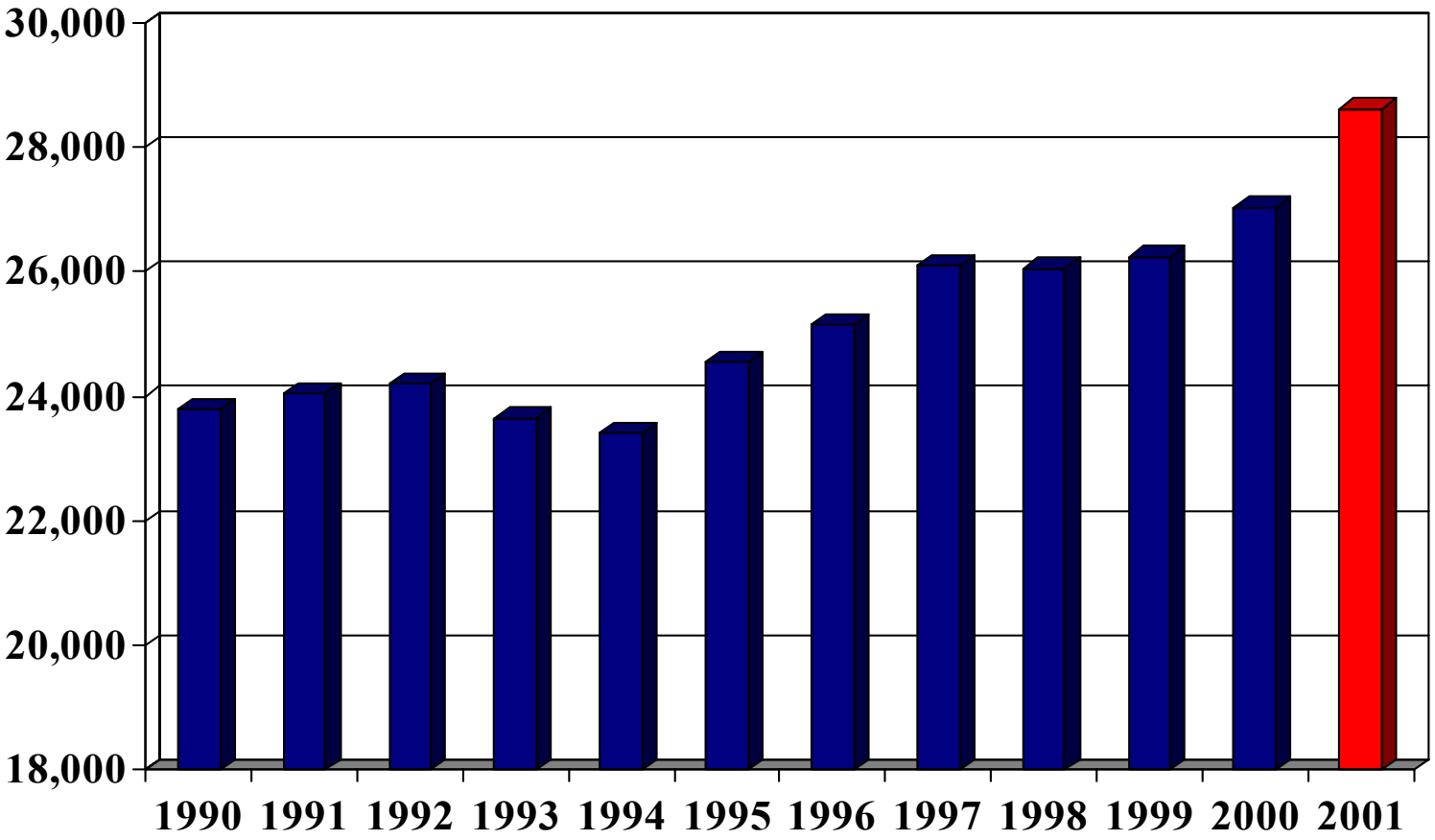
Participation: Headcount Enrollment (2002)



Participation: Percent of Total Headcount by Race (2002)

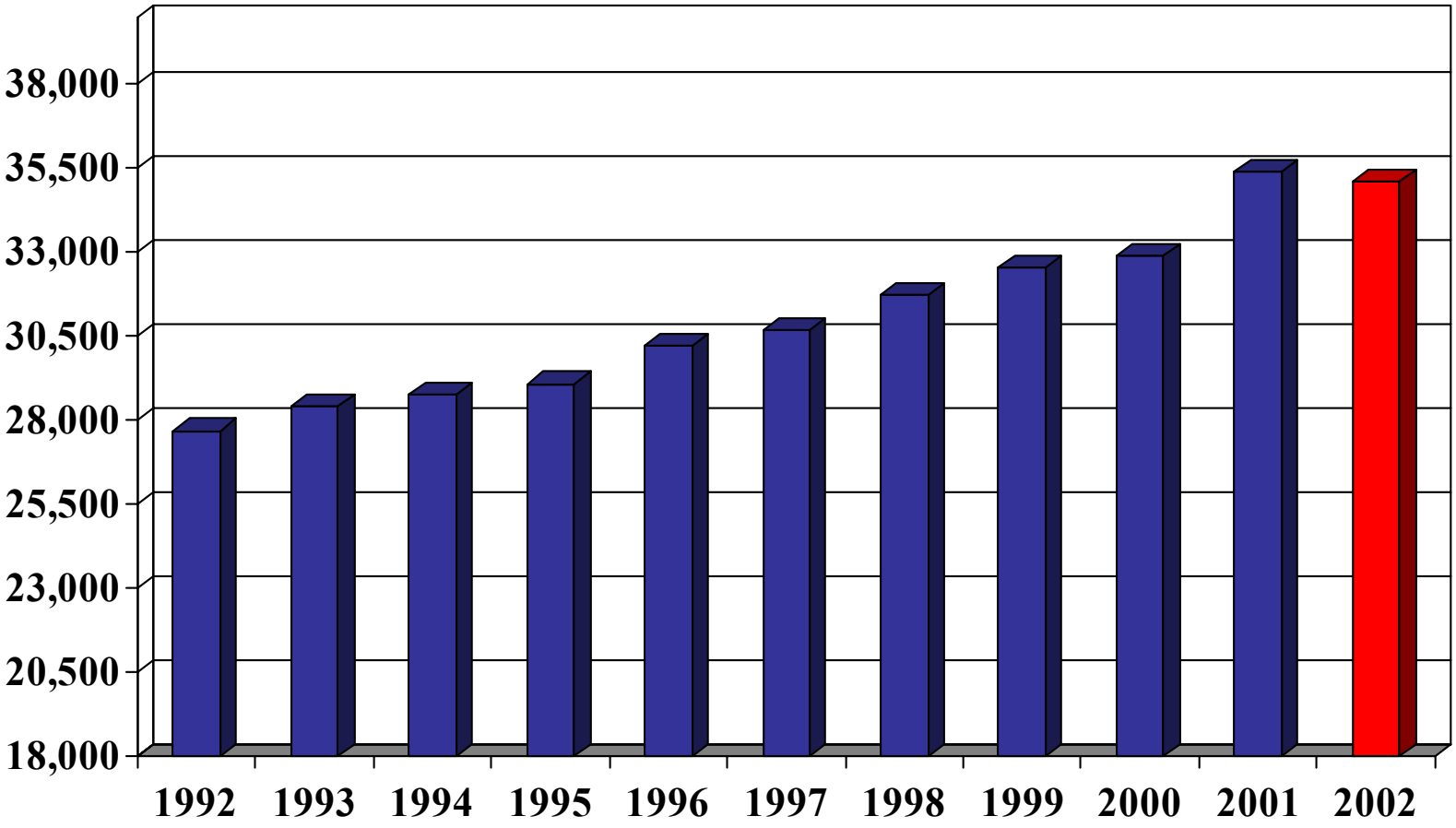


Participation: First-time Freshmen



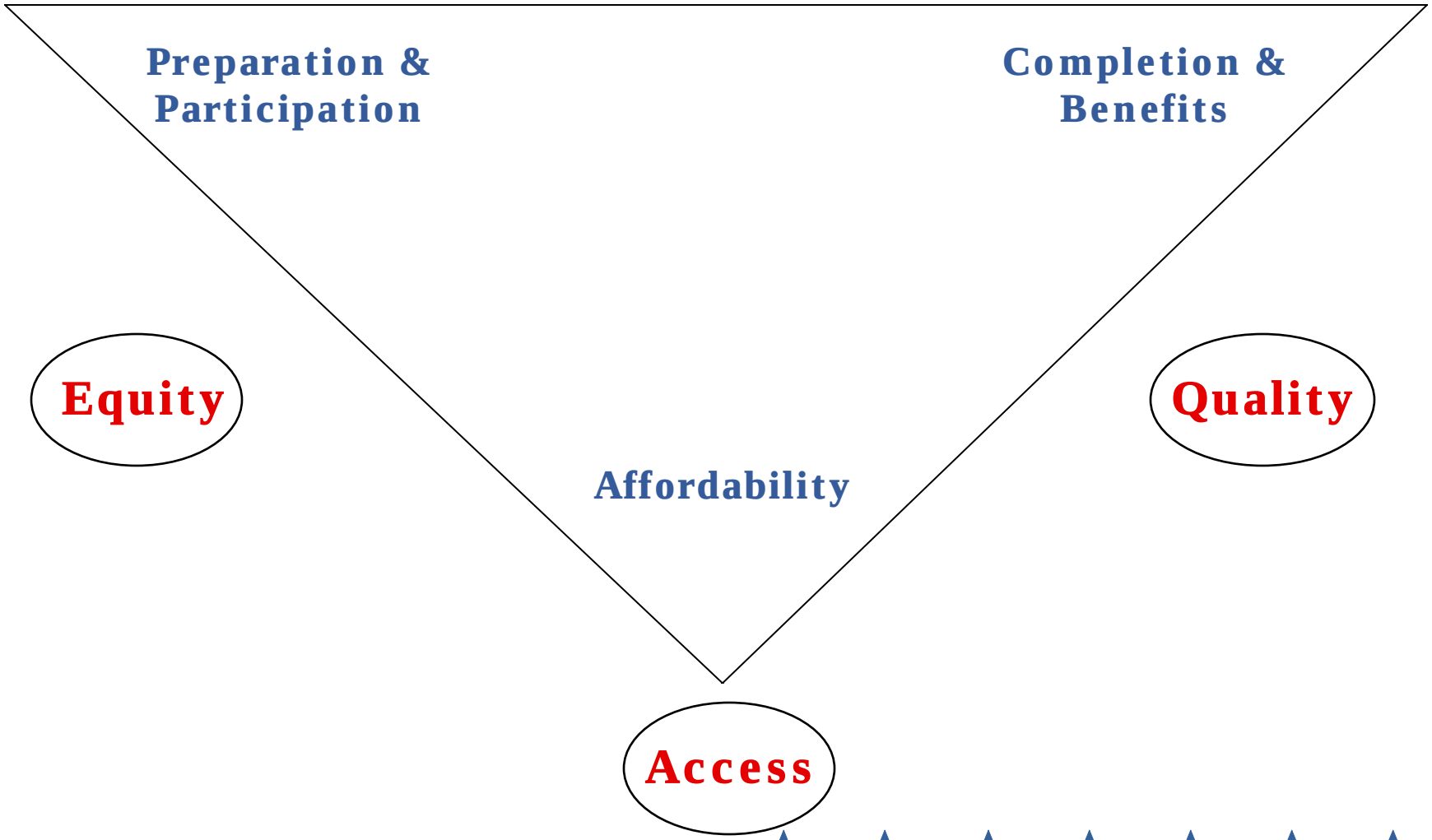
Total FTF headcount: 28,412
FTF headcount decreased 0.7% over fall 2001, 5.5% over fall 1997, and 12.9% over fall 1992.

Participation: Increasing Diversity



African American headcount has increased 14.4% over fall 1997, and 26.8% over fall 1992. African Americans comprise 18% of the state's overall headcount enrollment in 2002, compared to 14% in 1991.

Systems Theory and Higher Education



Affordability: Total Tuition and Fees

	1993-94	1998-99	2003-04	5 Yr. Change	10 Yr. Change
APSU	1,794	2,452	4,004	63.3%	123.2%
ETSU	1,643	2,384	3,839	61.0%	133.7%
MTSU	1,660	2,376	3,990	67.9%	140.4%
TSU	1,686	2,288	3,788	65.6%	124.7%
TTU	1,723	2,306	3,750	62.6%	117.6%
UM	1,843	2,630	4,234	61.0%	129.7%
UTC	1,770	2,464	3,852	56.3%	117.6%
UTK	2,018	2,744	4,450	62.2%	120.5%
UTM	1,810	2,342	3,830	63.5%	111.6%
CSTCC	952	1,254	2,095	67.1%	120.1%
CLSCC	934	1,236	2,067	67.2%	121.3%
COSCC	943	1,236	2,055	66.3%	117.9%
DSCC	949	1,236	2,055	66.3%	116.5%
JSCC	940	1,236	2,057	66.4%	118.8%
MSCC	953	1,240	2,059	66.0%	116.1%
NSCC	936	1,230	2,049	66.6%	118.9%
NSTCC	944	1,238	2,075	67.6%	119.8%
PSTCC	979	1,266	2,085	64.7%	113.0%
RSCC	946	1,240	2,069	66.9%	118.7%
STCC	931	1,233	2,055	66.7%	120.7%
VSCC	934	1,242	2,061	65.9%	120.7%
WSCC	934	1,240	2,059	66.0%	120.4%

Affordability: Median Tuition & Fees

Median Tuition & Fees 2001-02 & 1996-97						
Undergraduate In-state						
State	1996-97	Rank	5 Year Change	Rank	2001-02	Rank
Arkansas	1,992	12	61.1%	1	3,209	6
Tennessee	2,014	10	58.4%	2	3,190	8
Alabama	2,160	6	52.5%	3	3,294	5
Texas	1,992	13	45.2%	4	2,892	9
North Carolina	1,664	16	41.2%	5	2,350	15
Kentucky	2,050	8	36.0%	6	2,787	10
Florida	1,884	14	35.7%	7	2,556	12
Mississippi	2,385	5	34.4%	8	3,205	7
Maryland	3,480	3	29.4%	9	4,504	1
Oklahoma	1,688	15	29.2%	10	2,180	16
Delaware	3,533	2	27.0%	11	4,486	2
South Carolina	3,112	4	24.3%	12	3,868	3
Georgia	2,004	11	23.7%	13	2,478	13
West Virginia	2,116	7	22.2%	14	2,585	11
Louisiana	2,017	9	21.0%	15	2,441	14
Virginia	4,088	1	-10.2%	16	3,670	4

Affordability: Tuition & Fees vs. Peers

Fees Compared to Peers, FY 2002-03
Undergraduate In-state

Institution	Fees 02-03	Peer Fees 02-03	+/- %
APSU	3,454	3,316	4.2%
ETSU	3,311	3,215	3.0%
MTSU	3,442	3,210	7.2%
TSU	3,252	3,155	3.1%
TTU	3,266	3,107	5.1%
UM	3,704	3,865	-4.2%
UTC	3,550	3,125	13.6%
UTK	4,056	4,044	0.3%
UTM	3,515	3,263	7.7%

Fees Compared to Peers, FY 1998-99
Undergraduate In-state

Institution	Fees 98-99	Peer Fees 98-99	+/- %
APSU	2,452	2,430	0.9%
ETSU	2,384	2,328	2.4%
MTSU	2,376	2,432	-2.3%
TSU	2,288	2,307	-0.8%
TTU	2,306	2,330	-1.0%
UM	2,630	3,135	-16.1%
UTC	2,464	2,250	9.5%
UTK	2,744	3,341	-17.9%
UTM	2,342	2,277	2.9%

Below Peer Average

Cost of Attendance
A Regional Overview

Cost of Attendance Comparisons 2000

State	Median Household Income	Tuition and Fees - 4 Year	Tuition and Fees - 2 year	Total Cost of Attendance - 4year
Alabama	$34,135	8.9%	5.0%	22.7%
Arkansas	$32,182	11.9%	3.2%	25.5%
Georgia	$42,433	7.6%	3.5%	19.2%
Kentucky	$33,672	9.8%	3.5%	22.9%
Mississippi	$31,330	9.9%	3.4%	23.2%
North Carolina	$39,184	7.0%	2.3%	20.0%
South Carolina	$37,082	10.1%	3.5%	23.6%
Tennessee	$36,360	10.1%	3.9%	22.8%
Virginia	$46,667	8.4%	2.5%	20.6%

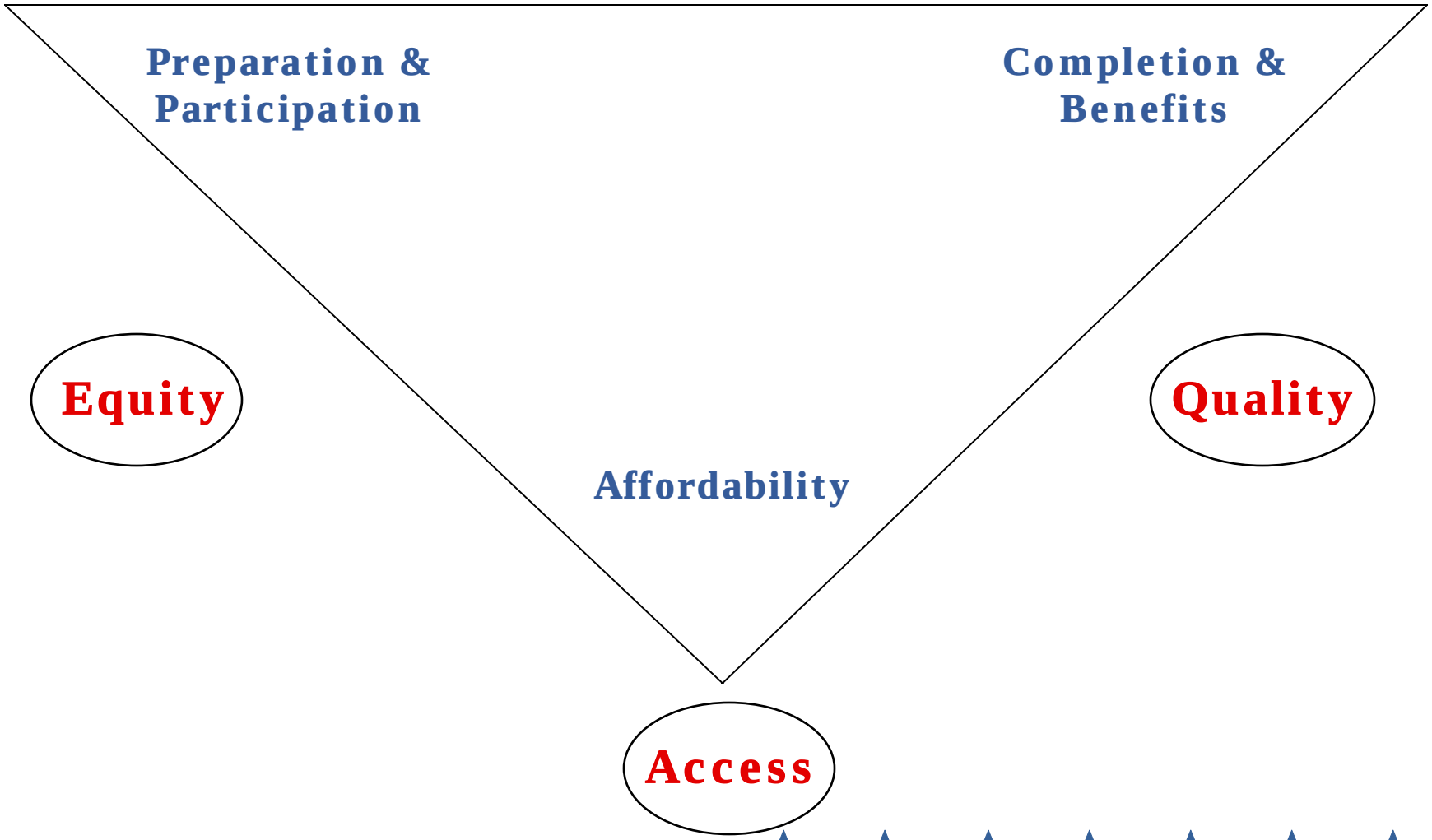
Funding for Student Aid in Tennessee

2001-02 Aid Dollars per Various Demographics	
	Amount
TN per Resident	$6.66
National per Resident	$18.24
TN per Resident (18-24 yrs old)	$69
National per Resident (18-24)	$189
TN per Undergraduate FTE	$203
National per Undergraduate FTE	$480

Source: NASSGAP

State support for financial aid programs in Tennessee significantly lags behind regional and national averages.

Systems Theory and Higher Education

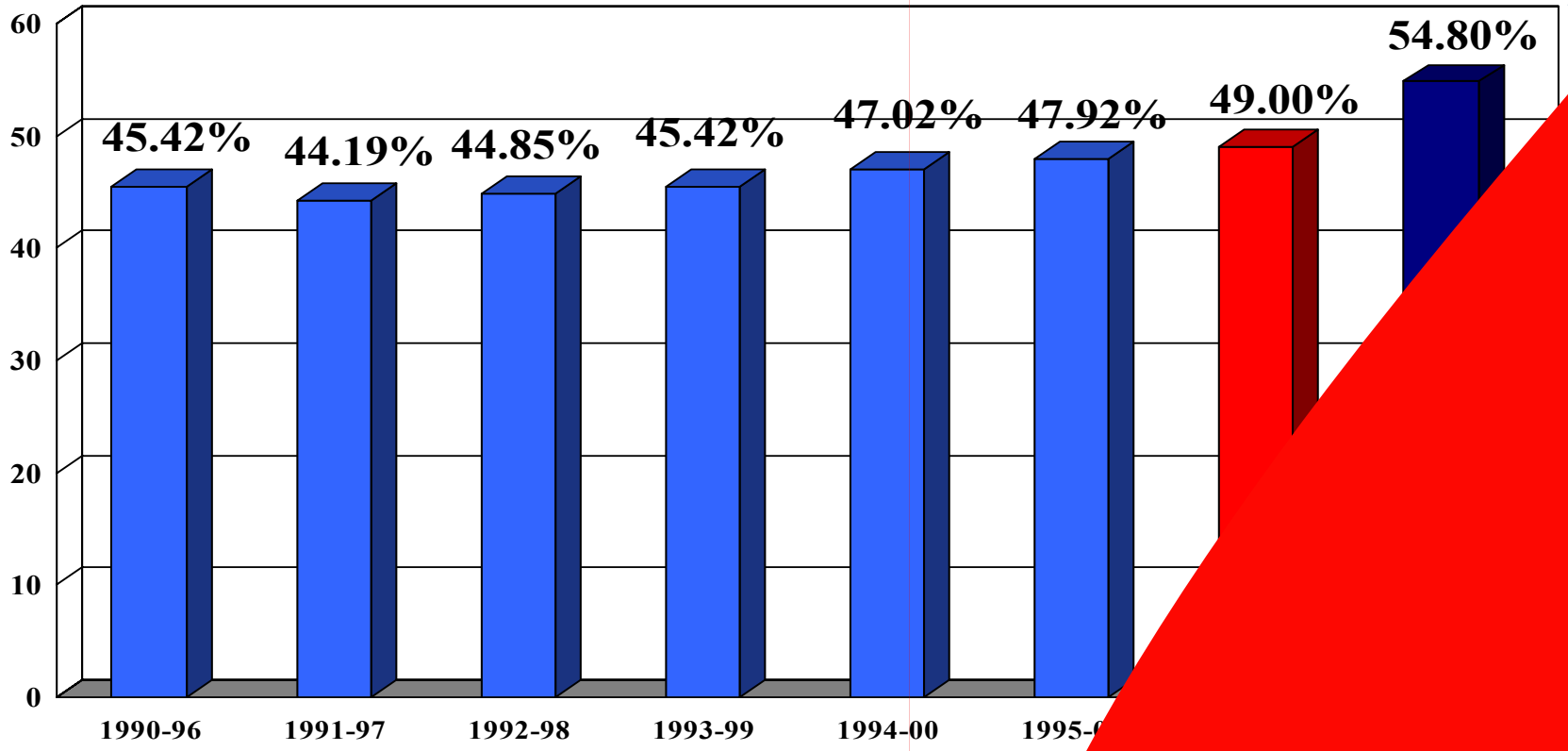


Completion: Cracks in the Pipeline

State	For every 100 Ninth Graders	Graduate from High School	Enter College	Still Enrolled Sophomore Year	Graduate within 6 years
Massachusetts	100	75	52	41	28
Iowa	100	83	54	37	28
Virginia	100	74	39	30	20
Delaware	100	61	36	28	19
North Carolina	100	59	38	28	18
Maryland	100	73	40	30	18
West Virginia	100	75	39	27	15
Florida	100	55	32	23	14
South Carolina	100	51	34	23	14
Tennessee	100	55	34	23	14
Alabama	100	59	34	23	13
Kentucky	100	66	39	25	13
Mississippi	100	56	36	23	13
Arkansas	100	74	39	26	12
Louisiana	100	56	33	22	12
Oklahoma	100	73	36	23	12
Georgia	100	52	32	21	12
Texas	100	62	32	19	11
United States	100	67	38	26	18

National Center for Higher Education Management Services

Completion: Graduation Rates - Universities



Of the 15,964 students who entered TN universities as fr
many will graduate by 2008? Assuming that factors re
will receive their college degree. What would higher
rates improved to the national average of 54.8%? A
would yield approximately 926 additional college gr

Educational Attainment - SREB States

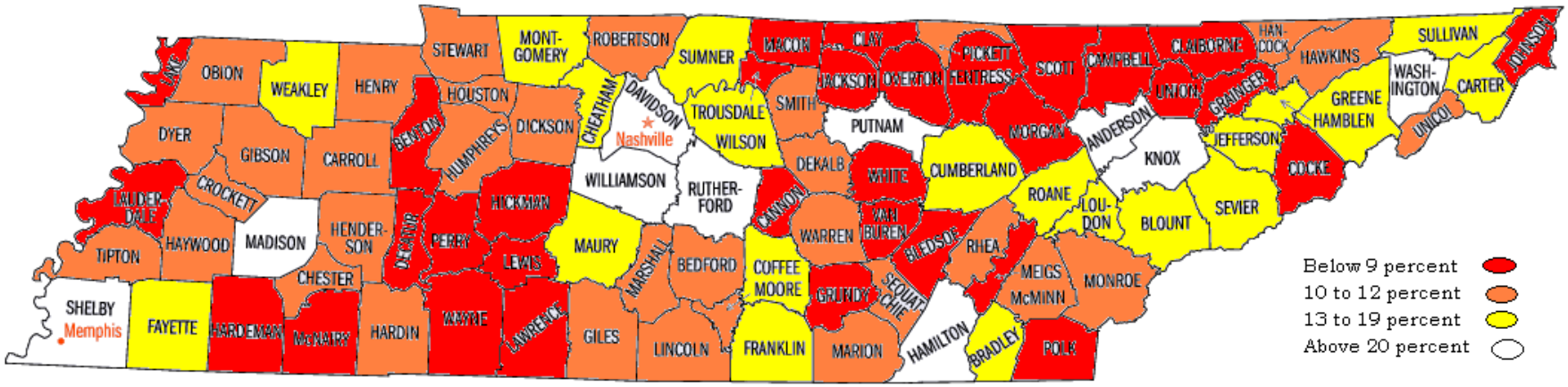
Percentage of Population 25 or Older with a Bachelor's Degree (2000 Full Census)					
	1990	1995	1999	2000	% Change
United States	20.3%	23.0%	25.2%	24.4%	4.1%
SREB States	18.6%	19.9%	21.7%	22.4%	3.8%
Alabama	15.7%	17.3%	21.8%	19.0%	3.3%
Arkansas	13.3%	14.2%	17.3%	16.7%	3.4%
Delaware	21.4%	22.9%	24.0%	25.0%	3.6%
Florida	18.3%	22.1%	21.6%	22.3%	4.0%
Georgia	19.6%	22.7%	21.5%	24.3%	4.7%
Kentucky	13.6%	19.3%	19.8%	17.1%	3.5%
Louisiana	16.1%	20.1%	20.7%	18.7%	2.6%
Maryland	26.5%	26.4%	34.7%	31.4%	4.9%
Mississippi	14.7%	17.6%	19.2%	16.9%	2.2%
North Carolina	17.4%	20.6%	23.9%	22.5%	5.1%
Oklahoma	17.8%	19.1%	23.7%	20.3%	2.5%
South Carolina	16.6%	18.2%	20.9%	20.4%	3.8%
Tennessee	16.0%	17.8%	17.7%	19.6%	3.6%
Texas	20.3%	22.0%	24.4%	23.2%	2.9%
Virginia	24.5%	26.0%	31.6%	29.5%	5.0%
West Virginia	12.3%	12.7%	17.9%	14.8%	2.5%

TN ranked 10th in the SREB in 2000, an increase of one position over 1990.

To reach the average attainment level of our border states, we need to create 181,530 additional college graduates

SREB Factbook 2002-03

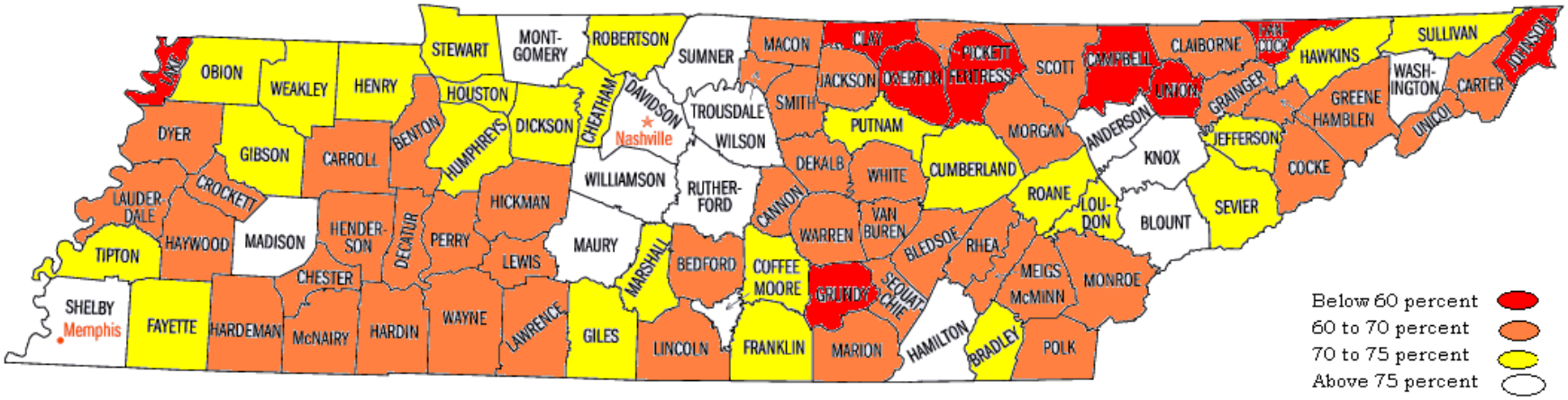
% of Population with a Bachelor's Degree - 2000



Average for Tennessee in 2000:	19.6%
Average for U.S. in 2000:	24.4%

In 75 of Tennessee's 95 counties, 15% or less of the overall population aged 25 and older hold a college degree.
In 41 counties, 10% or less hold a college degree.

% of Population with a High School Degree - 2000



Average for Tennessee in 2000: 75.9%

National Average: 80.4%

In 30 of Tennessee's 95 counties, less than 65% of the overall population aged 25 and older hold a high school degree.
Only 8 counties in Tennessee are above the national average.

Benefits of Investments in Higher Education

Institute for Higher Education Policy (1998)

Private social benefits

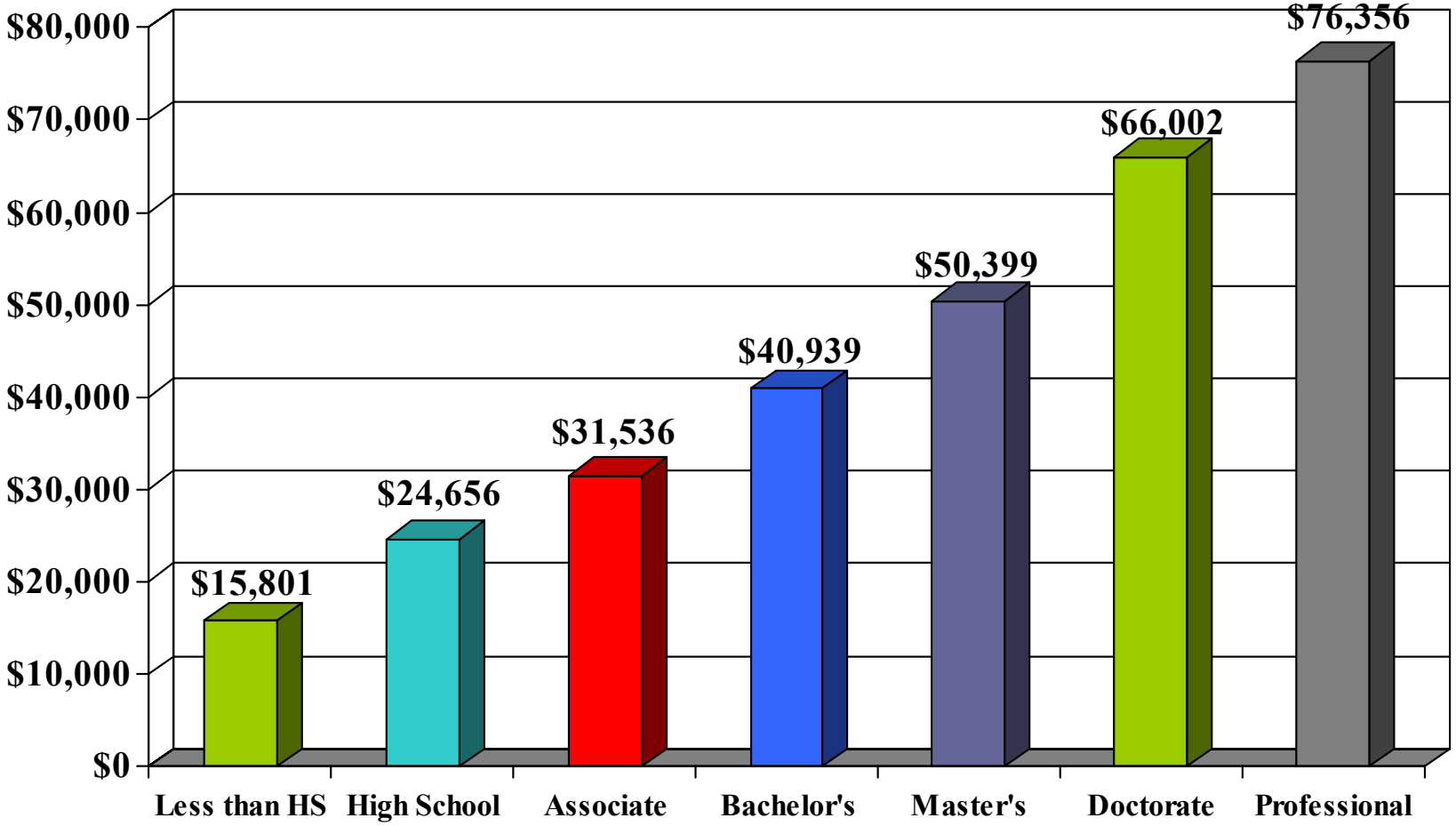
Public social benefits

Private economic benefits

Public economic benefits

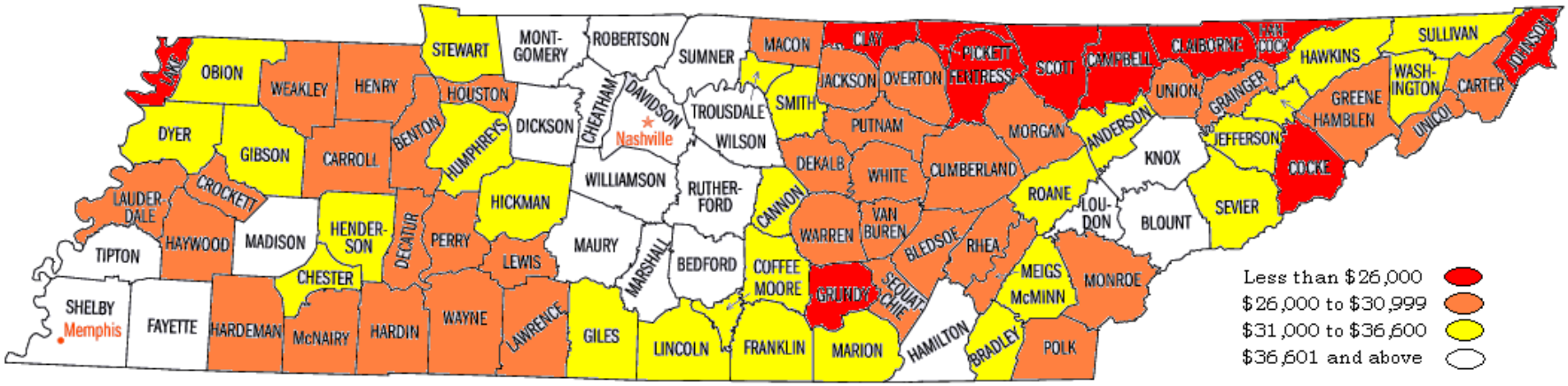
This framework ensures a review of all benefits while recognizing that some benefits are not easily placed into one category, but rather contribute to multiple categories leading to the interdependency of public and private benefits and social and economic benefits.

Financial Benefits of Investments in Education



Source: U.S. Census Bureau, Current Population Survey, March 2002

Median Household Income



Less than $25,000

$25,000-$27,999

$28,000-$31,999

$32,000-$35,999

$36,000 and above

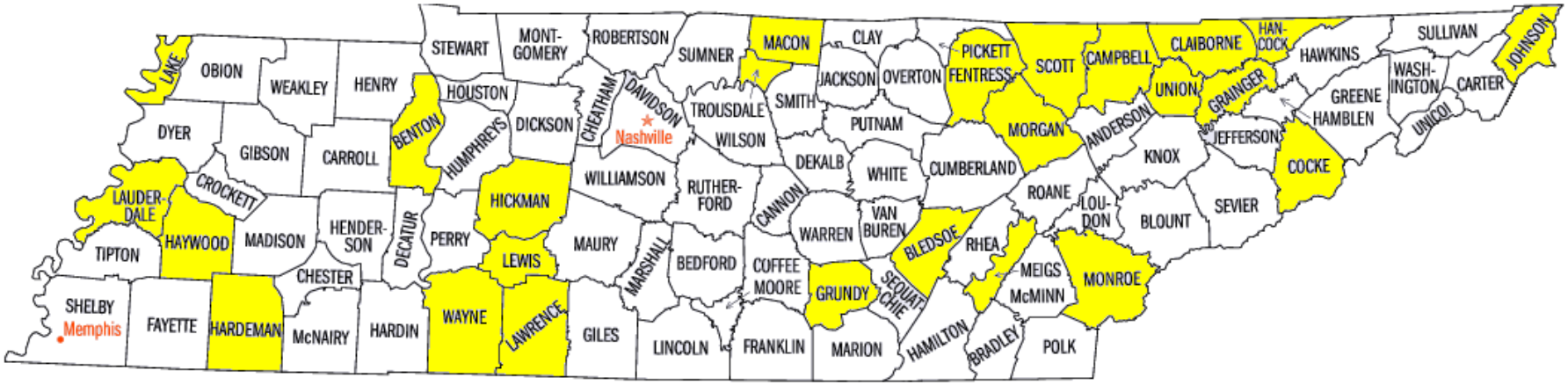
Median Household Income for State of Tennessee - 2001

$36,542

U.S. Average: $42,973

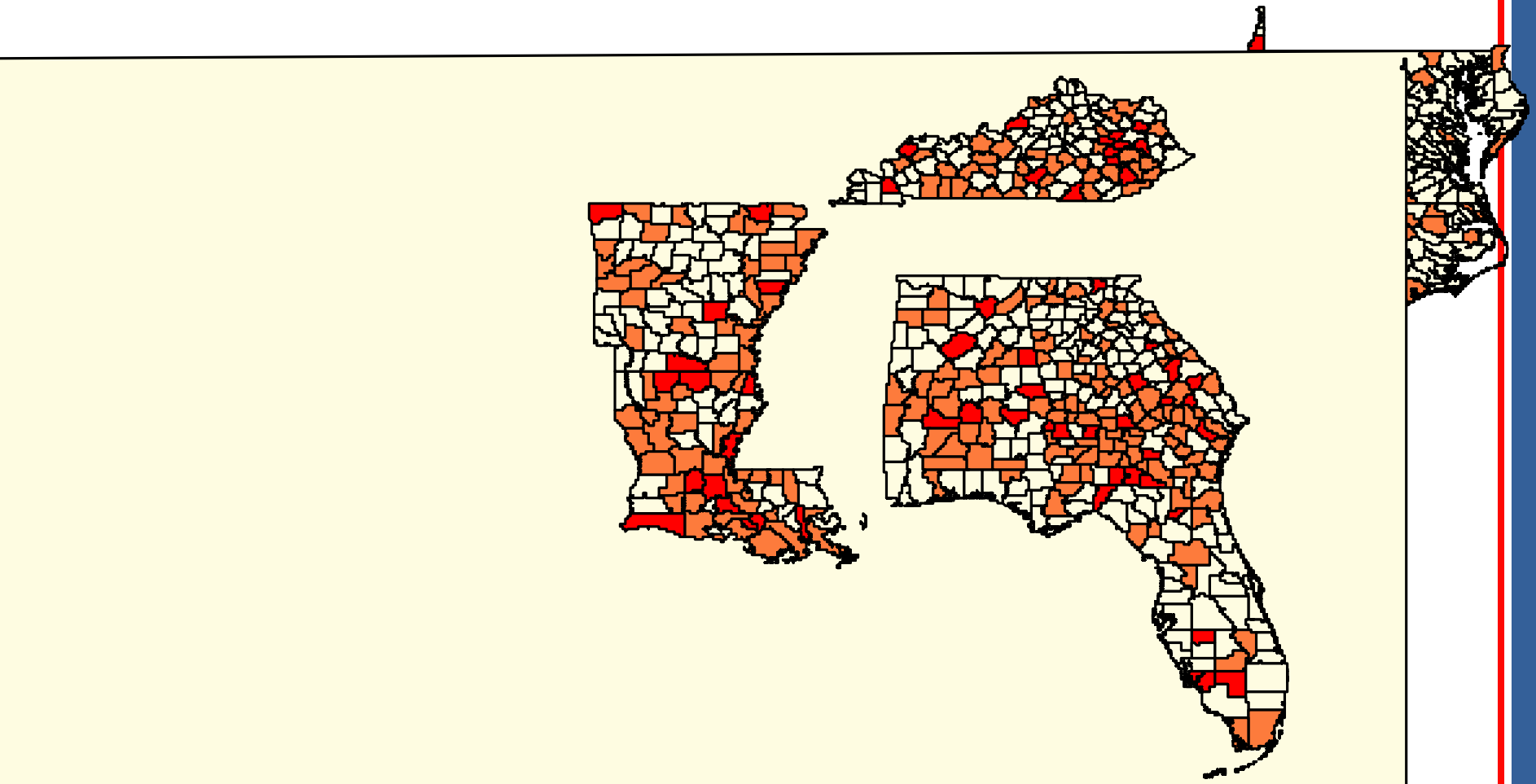
ENI Counties for Tennessee

Map of Tennessee Counties with Highest Educational Needs Index Scores



Analysis of Tennessee Counties

Regional Education Needs Index Comparisons



ENI Counties Among the 200 Most Critical in the SREB States

State Quick Facts	Tennessee	USA
Population, 2000	5,689,283	281,421,906
High School Degree Attainment, 2000	75.9%	80.4%
Bachelors Degree Attainment, 2000	19.6%	24.4%
Median Household Income, 1999	$36,360	$41,994
Per Capita Income, 1999	$19,393	$21,587
Persons Below Poverty, 1999	13.5%	12.4%

The Progressive Policy Institute - New Economies Index

STATES BY RANK					
Rank 2002	Score 2002	State	Rank 1999	Score 1999	Rank Change
1	90	Massachusetts	1	82.3	0
2	86.2	Washington	4	69	2
3	85.5	California	2	74.3	-1
4	84.3	Colorado	3	72.3	-1
5	75.6	Maryland	11	59.2	6
8	72.1	Virginia	12	58.8	4
9	70.5	Delaware	9	59.9	0
14	67.6	Texas	17	52.3	3
18	62.7	Florida	20	50.8	2
22	60.1	Georgia	25	46.6	3
26	57.5	NC	30	45.2	4
34	54.1	Oklahoma	40	38.6	6
39	52.2	Tennessee	31	45.1	-8
41	51.1	SC	38	39.7	-3
42	48.6	Kentucky	39	39.4	-3
45	45.9	Louisiana	47	28.2	2
47	45.3	Alabama	44	32.3	-3
48	41.7	Arkansas	49	26.2	1
49	40.9	Mississippi	50	22.6	1
50	40.7	West Virginia	48	26.8	-2

- TN rank declines by 8 in three years
- Historically, the economies of states such as TN depend on natural resources, or on mass production manufacturing, and rely on low production costs rather than innovative capacity, to gain a competitive advantage.
- Innovative capacity (derived through universities, R&D investments, scientists and engineers, and entrepreneurial drive) is increasingly what drives competitive success in the New Economy.

Economic Comparisons: Projected Job Growth

Tennessee

1. Local and Interurban Passenger Transit
2. Social Services
3. Transportation Services

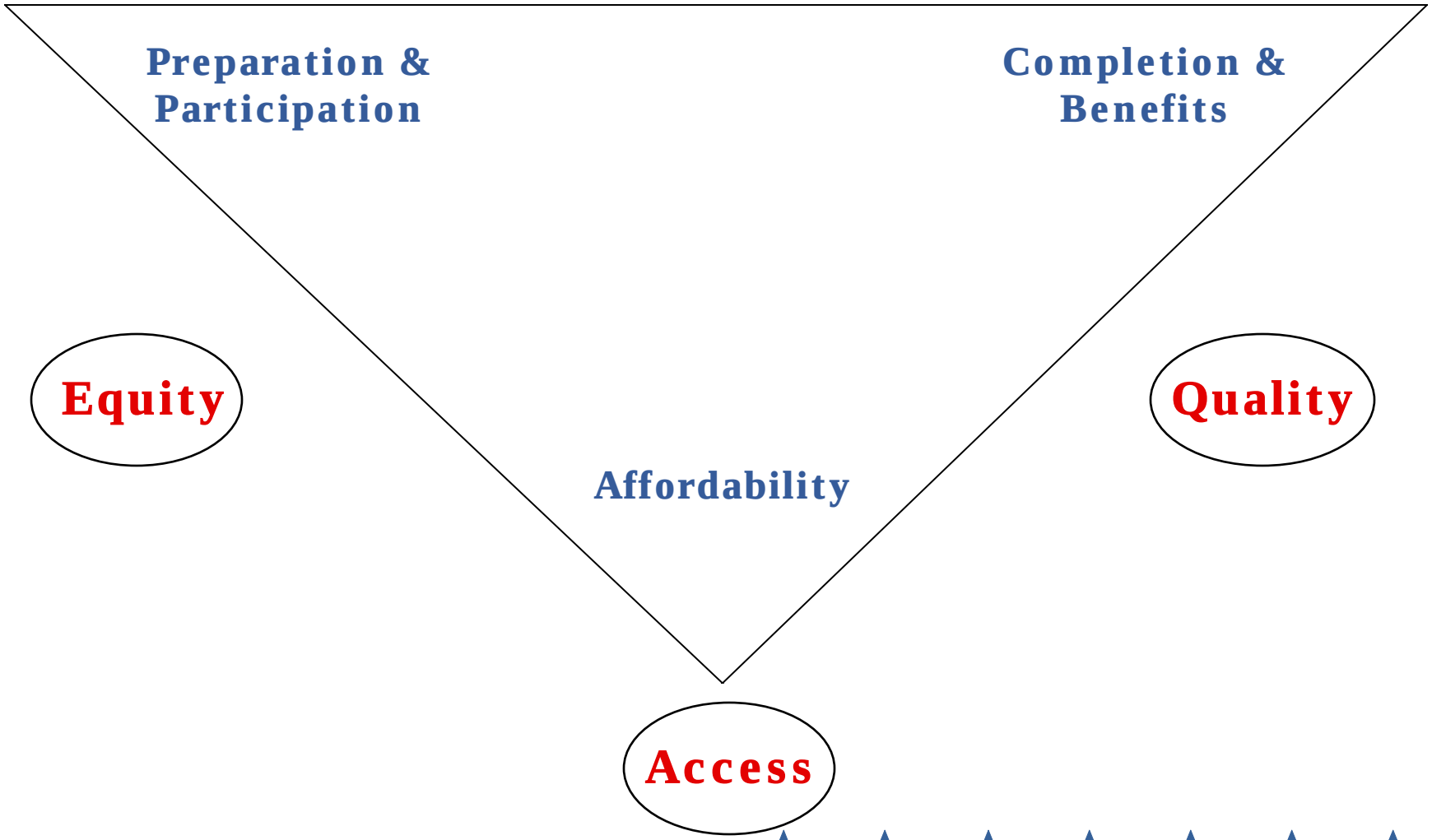
21.5% require college degree or management experience

Georgia

1. Computer Engineers
2. Systems Analysts
3. Sales Agents, Business

21.8% require bachelors or higher degree

Systems Theory and Higher Education

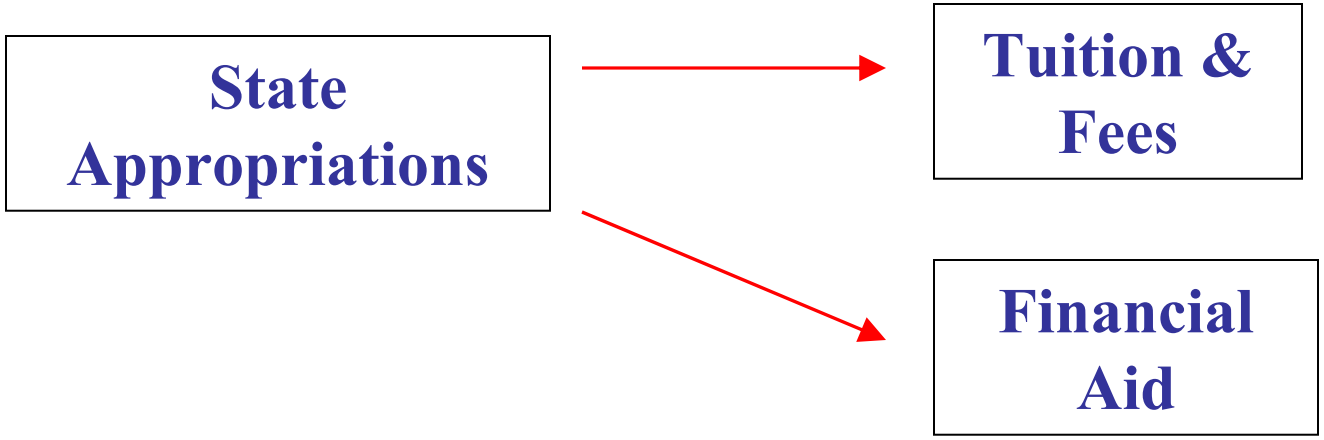


Balancing Access, Quality & Equity

Confounding Constructs: Balancing Access, Quality & Equity

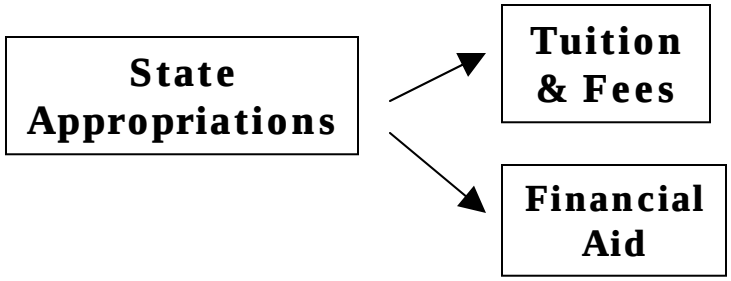
- State appropriations for higher education have been permanently reduced.
- There will be increases in fixed costs that will further erode all operating budgets, especially those of the non-formula units.
- Increasing Tuition and Mandatory Fees
- Undereducated Population
- Projected Access Demands - Baby Boom Echo
- Projected Access Demands - Lottery
- Increased Student Debt Burdens
- Graduate Production and Retention Rates
- Funding may not be available for new capital projects, or major renovations.

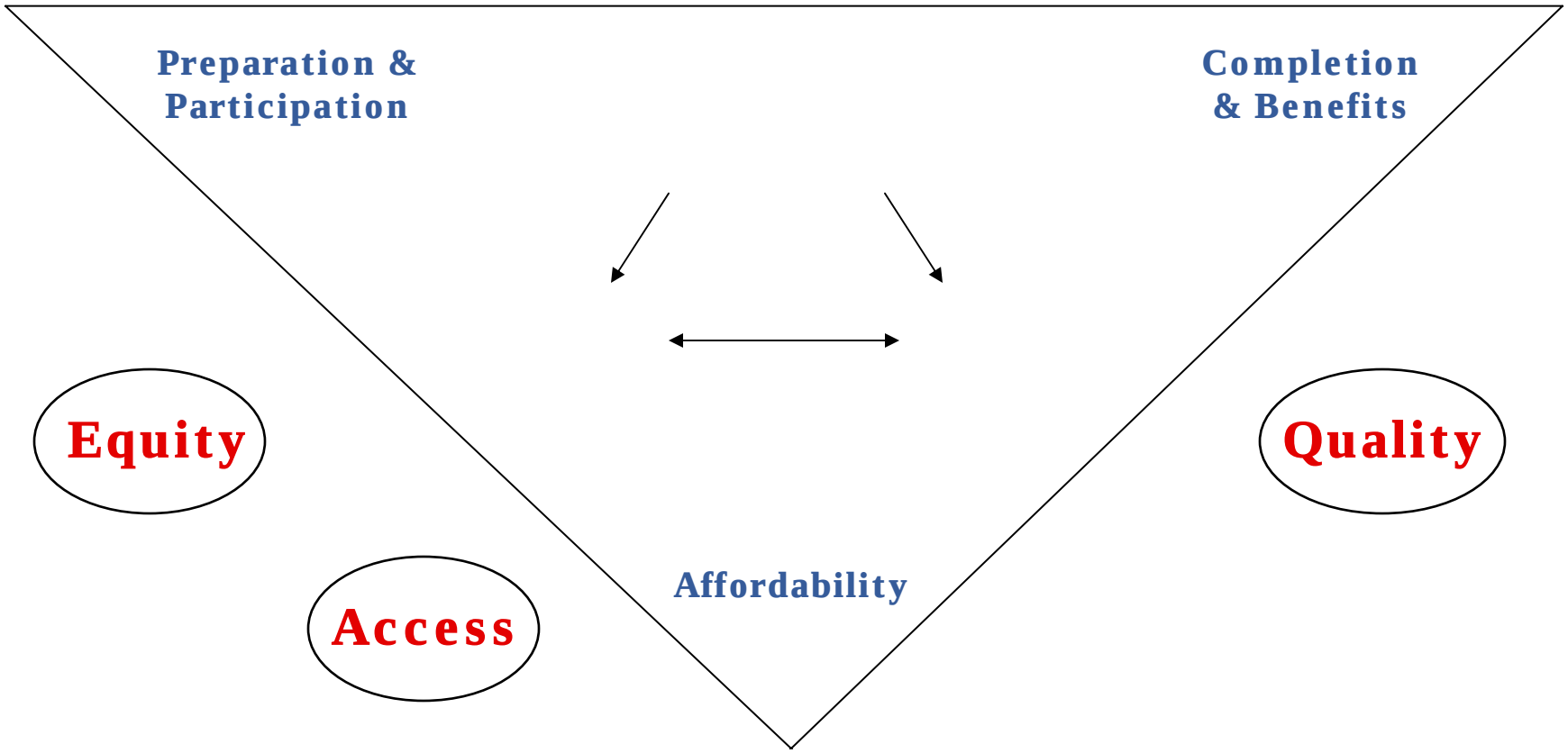
Traditional vs. Revised Policy Systems



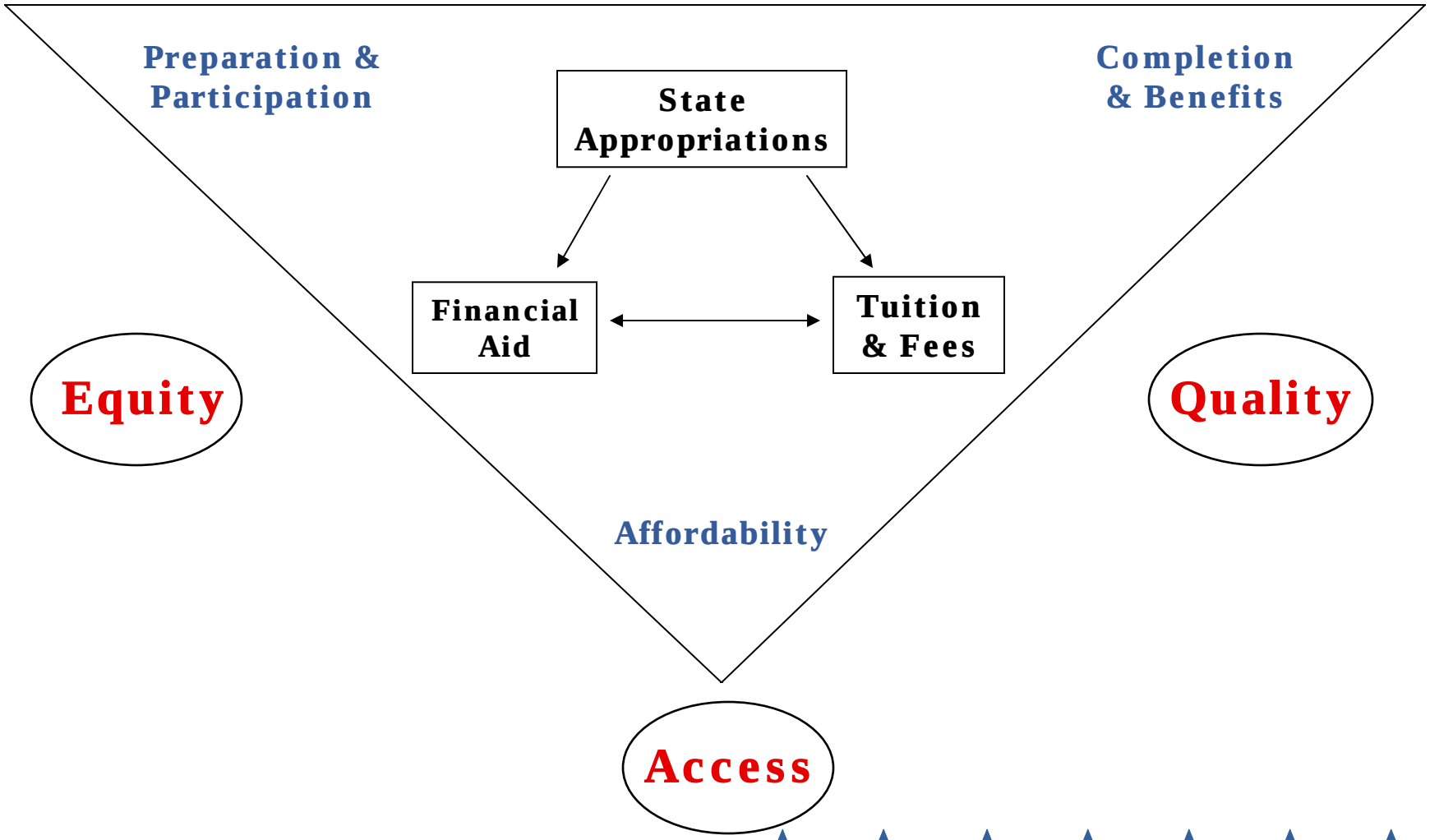
- *Traditional Policy Systems* make decisions in a linear manner.
- Once state appropriations are determined, tuition is set in order to achieve revenue adequacy. However, by that point state appropriations for financial aid have also already been set.

Traditional vs. Revised Policy Systems



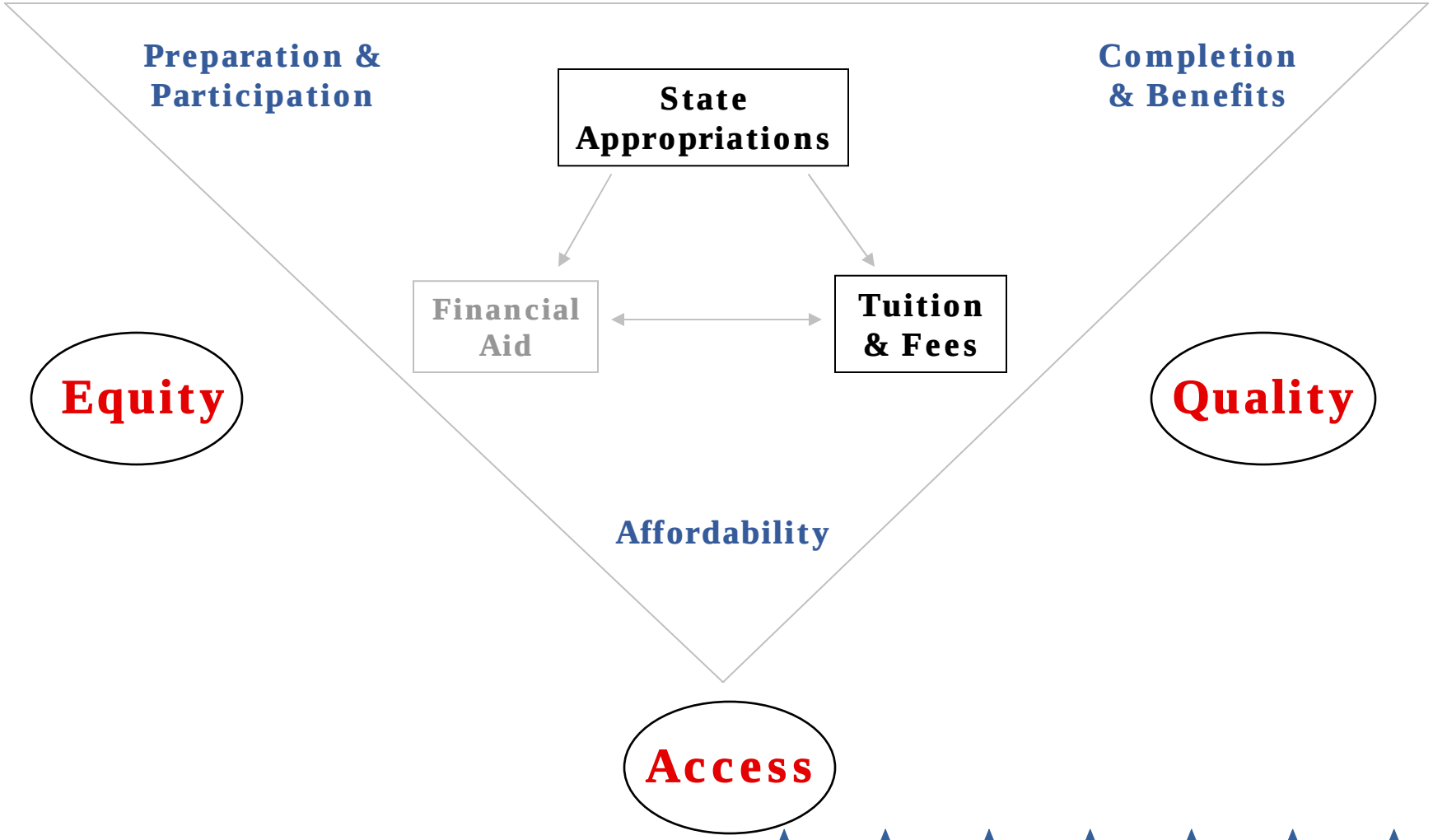


Systems Theory and Higher Education



Systems Theory and Higher Education

Revenue Adequacy



State Appropriations + **Tuition & Fees** = **Revenue Adequacy**

With rising fixed costs and permanently reduced state appropriations, higher education will have to increase its reliance on tuition/fees in order to enhance and maintain revenue adequacy.

Equity **Access** **Quality**

Revenue Adequacy: *State Appropriations History*

Appropriations of State Tax Funds for Operating Expenses of Higher Education for Fiscal Years 1996-97 through 2002-03, with Six-Year Percentage Change

	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	6 Yr. Change	Nat'l Rank
Louisiana	645,904	769,680	859,036	882,798	880,064	997,813	1,055,455	63.4%	2
Texas	3,191,337	3,558,936	3,527,867	4,486,813	4,464,237	5,135,147	5,209,765	63.2%	3
Kentucky	707,323	768,008	888,700	925,506	1,001,625	1,063,668	1,094,599	54.8%	5
Maryland	844,373	877,412	942,748	1,042,836	1,174,820	1,282,690	1,301,845	54.2%	6
Florida	2,017,348	2,285,868	2,501,857	2,639,021	2,833,242	2,725,210	2,916,595	44.6%	7
Virginia	1,071,375	1,152,783	1,299,919	1,481,579	1,629,776	1,631,856	1,545,680	44.3%	8
Georgia	1,302,566	1,383,858	1,483,818	1,553,588	1,600,329	1,707,734	1,734,481	33.2%	13
North Carolina	1,852,013	2,007,092	2,149,972	2,270,323	2,398,489	2,442,690	2,449,659	32.3%	18
Oklahoma	616,700	666,024	725,450	740,544	789,155	796,312	811,474	31.6%	21
Delaware	148,471	155,128	164,115	175,621	185,840	186,398	192,889	29.9%	25
Arkansas	486,794	516,675	556,659	605,216	636,907	625,112	625,987	28.6%	28
Mississippi	635,397	693,153	751,195	873,562	824,031	765,014	775,243	22.0%	39
Tennessee	**919,211**	**909,845**	**957,970**	**984,860**	**1,045,546**	**1,071,515**	**1,106,888**	**20.4%**	**41**
Alabama	969,377	976,905	1,037,680	1,100,328	1,088,446	1,115,999	1,148,152	18.4%	44
South Carolina	710,065	744,495	777,801	812,709	880,120	856,200	830,305	16.9%	45
West Virginia	342,178	352,763	362,261	362,750	387,432	392,051	393,695	15.1%	47

Data in Thousands (000s) of dollars

Source: Grapevine Database, Center for the Study of Education Policy, Illinois State University

Revenue Adequacy: State Appropriations per FTE

SREB states	1995-96	2001-02	Change	Change
Virginia	4,466	6,768	2,302	51.5%
Kentucky	5,062	6,533	1,471	29.1%
Oklahoma	4,593	5,822	1,229	26.8%
Georgia	6,345	7,489	1,144	18.0%
Louisiana	3,605	4,127	521	14.5%
Maryland	7,458	8,263	805	10.8%
North Carolina	7,372	8,100	728	9.9%
Texas	6,154	6,578	424	6.9%
South Carolina	5,494	5,756	263	4.8%
Arkansas	5,546	5,802	255	4.6%
Alabama	4,887	4,990	103	2.1%
West Virginia	4,357	4,234	-123	-2.8%
Florida	7,248	6,885	-363	-5.0%
Mississippi	5,670	5,379	-292	-5.1%
Tennessee	**6,220**	**5,616**	**-604**	**-9.7%**

Note: Delaware was not a member of the SREB in 1998-99.

State appropriations per FTE for four-year institutions.

Adjusted for inflation.

Reductions to Higher Education 2002-03 & 2003-04

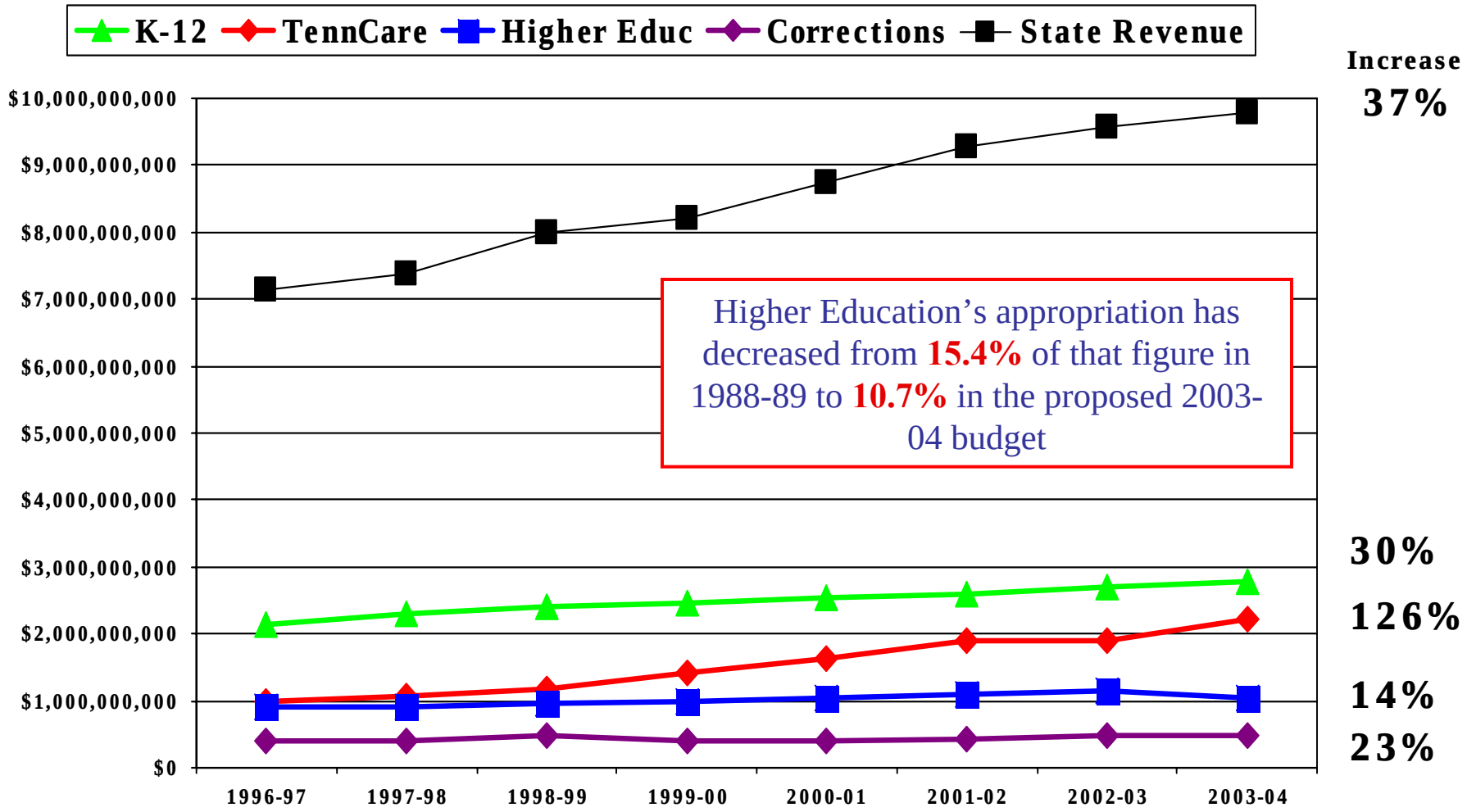
State	Total Reductions	Percent of 2002-03 Base	Rank
Colorado	(245,070)	-30.0%	1
Massachusetts	(153,081)	-15.5%	2
Maryland	(184,841)	-14.2%	3
Tennessee	**(154,929)**	**-13.4%**	**4**
West Virginia	(49,027)	-12.5%	5
Arizona	(98,334)	-10.8%	6
South Carolina	(82,200)	-9.9%	7
Oklahoma	(79,524)	-9.8%	8
Kansas	(59,591)	-8.4%	9
Virginia	(105,833)	-7.5%	10
Texas	(349,054)	-6.7%	11
Delaware	(4,436)	-2.3%	21
Georgia	(28,966)	-1.7%	23
Florida	(23,916)	-0.8%	25
Mississippi	31,630	4.1%	37
Kentucky	51,446	4.7%	38
Arkansas	31,299	5.0%	39
Louisiana	59,114	5.6%	40

- Tennessee had the 4th largest reduction in state appropriation over the past two years.
- This data includes mid-year 2002-03 reductions and base reductions for 2003-04.

SHEEO Survey July 2003

State Appropriations for Higher Education

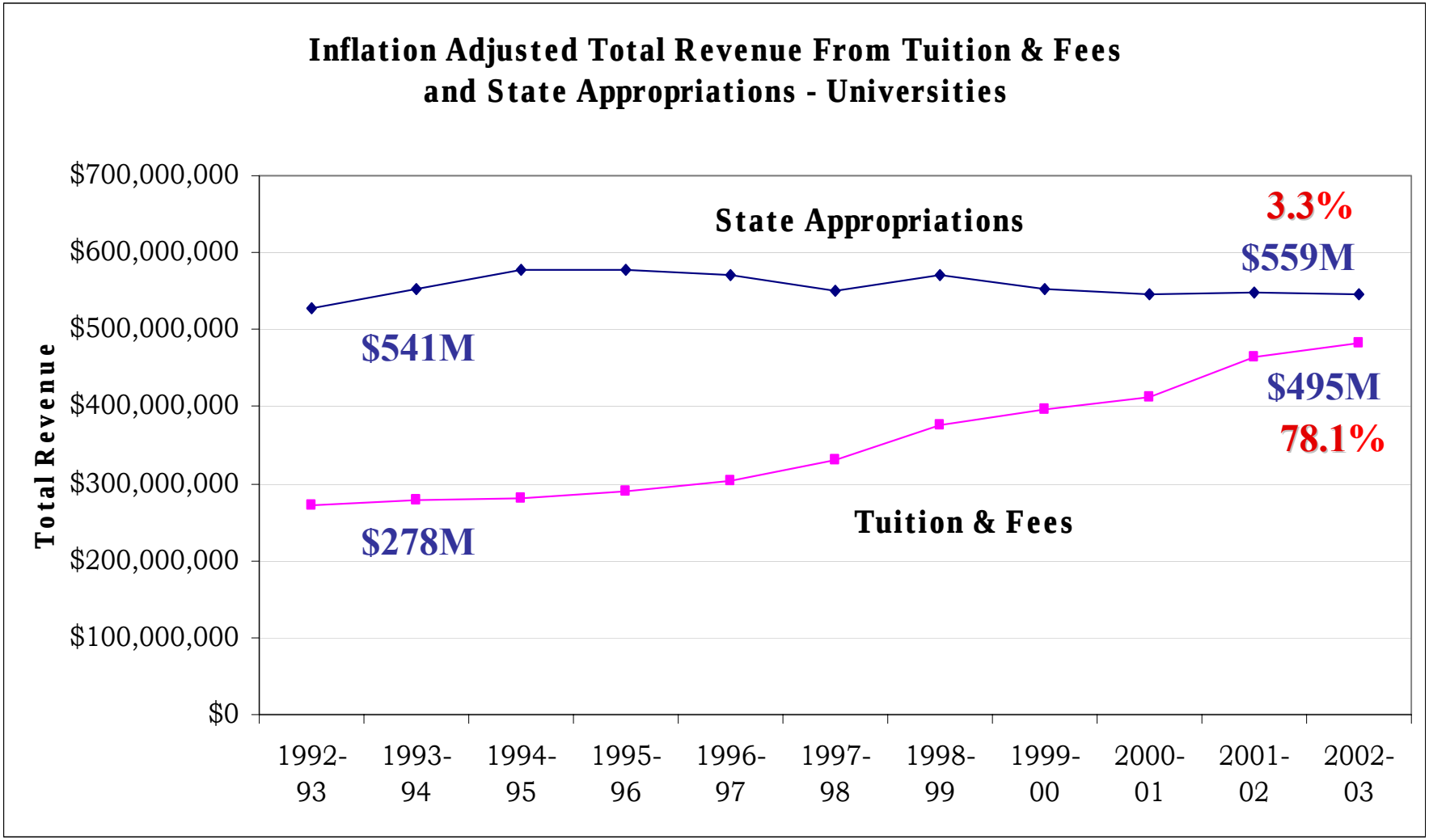
State Funds Appropriated to the Four Major Areas

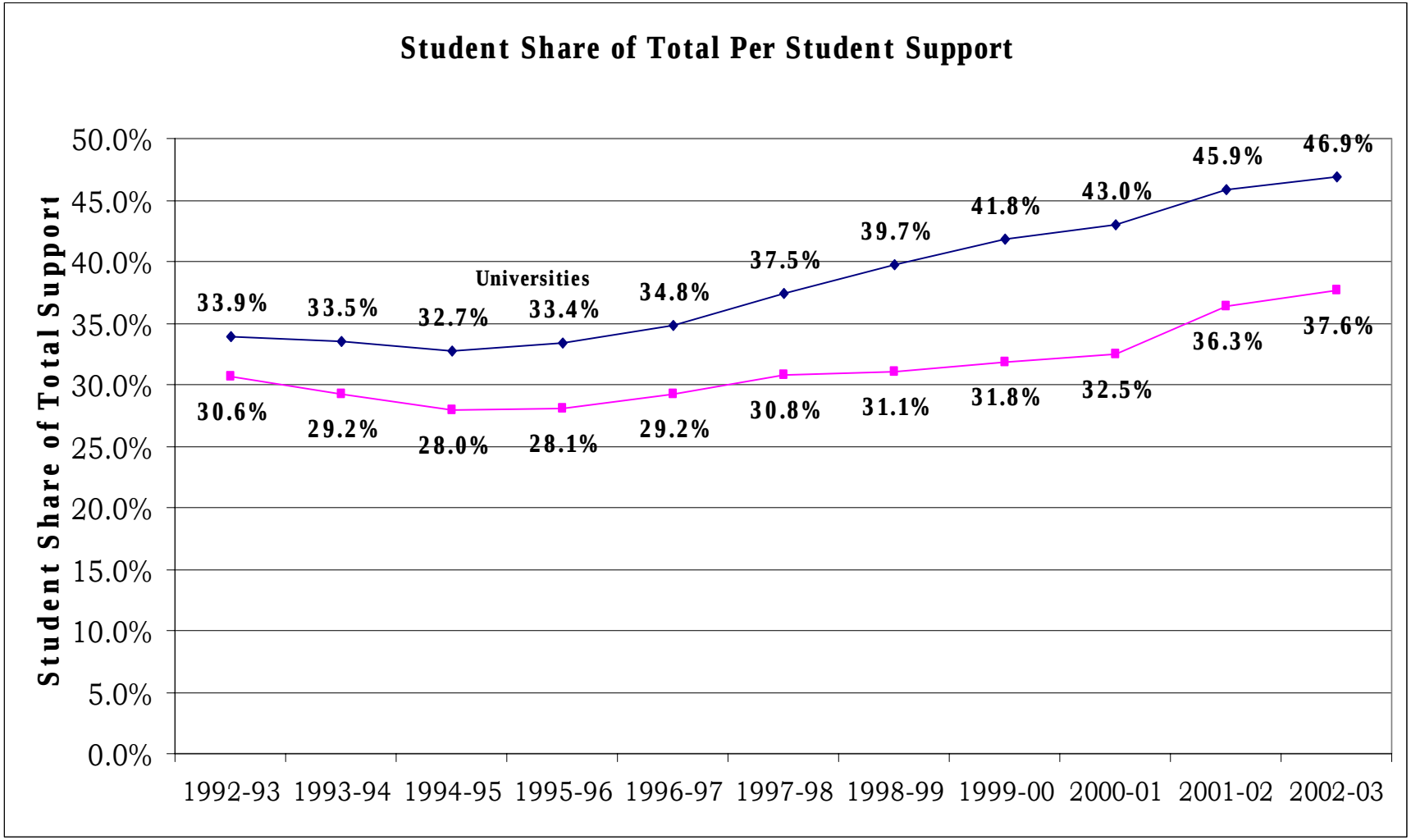


Higher Education's appropriation has decreased from **15.4%** of that figure in 1988-89 to **10.7%** in the proposed 2003-04 budget

Source: THEC, State Budget Document and Legislative Budget Analysis

Revenue Adequacy
Revenue Sources - Universities




Student Share of Total Per Student Support
Student Share of Total Support
50.0%
45.0%
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
Universities
33.9%
33.5%
32.7%
33.4%
34.8%
37.5%
39.7%
41.8%
43.0%
45.9%
46.9%
30.6%
29.2%
28.0%
28.1%
29.2%
30.8%
31.1%
31.8%
32.5%
36.3%
37.6%
1992-93
1993-94
1994-95
1995-96
1996-97
1997-98
1998-99
1999-00
2000-01
2001-02
2002-03

The Increasing Dependency on Tuition

2001-02	Percent from Tuit./Fees	Peer Percent from Tuit./Fees
APSU	40.4%	35.5%
ETSU	42.5%	35.1%
MTSU	47.4%	34.3%
TSU	52.6%	33.3%
TTU	39.4%	34.7%
UM	43.2%	38.4%
UTC	41.7%	33.5%
UTK	45.3%	36.3%
UTM	43.2%	35.3%
Two Yrs.	35.5%	30.0%

For 2001-02, a greater proportion of total operating expenses were accounted for by student fees in TN than among peer institutions.

State Appropriations +Tuition/Fees = Revenue Adequacy

Student Support Analysis Compared to Peers

2001-02	Avg. Support per FTE	Avg. Support per FTE - Peers	Percent of Peer Avg.
APSU	8,567	9,560	89.6%
ETSU	9,186	9,536	96.3%
MTSU	8,385	9,685	86.6%
TSU	9,958	9,710	102.6%
TTU	9,560	9,407	101.6%
UM	10,746	11,796	91.1%
UTC	9,191	9,181	100.1%
UTK	12,629	13,991	90.3%
UTM	8,743	8,972	97.4%
Average	**9,663**	**10,204**	**94.7%**
Two Yrs.	**5,919**	**6,377**	**92.8%**

Policy Alternatives: Balancing Access, Quality & Equity

Policy Principles

- Maintain high quality system of higher education.
- Total support per student should be at least the average of peer institutions.
- Maximize efficiency and promote cost containment
- Maximize access and equity given fixed state resources for higher education.
- Ensure affordability by increasing funds to TSAC need-based grant program.
- Integrating Financial Aid, Tuition Policy and State Funding for Higher Education.

Equity **Access** **Quality**

Fiscal Systems and Policy Options

- Revenue adequacy at the community colleges will be primarily achieved through directing available new revenues to the community college sector.
- Revenue adequacy at the universities will be primarily achieved through tuition increases.
- Financial Aid will be dramatically increased to maintain and enhance access. Financial aid decisions will be linked to tuition development policy.
- Enrollment Management

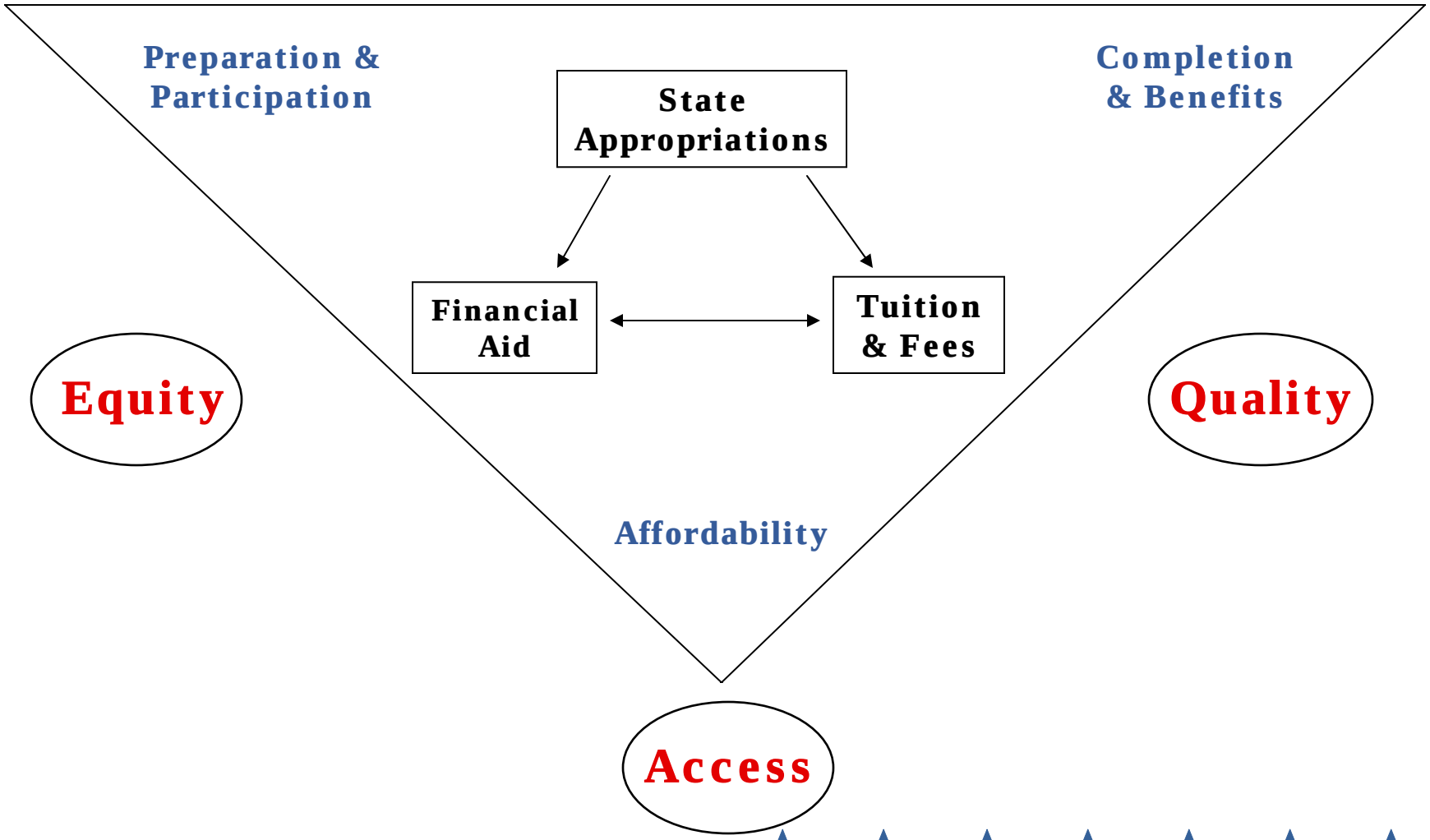
Equity **Access** **Quality**

Fiscal Systems and Policy Options

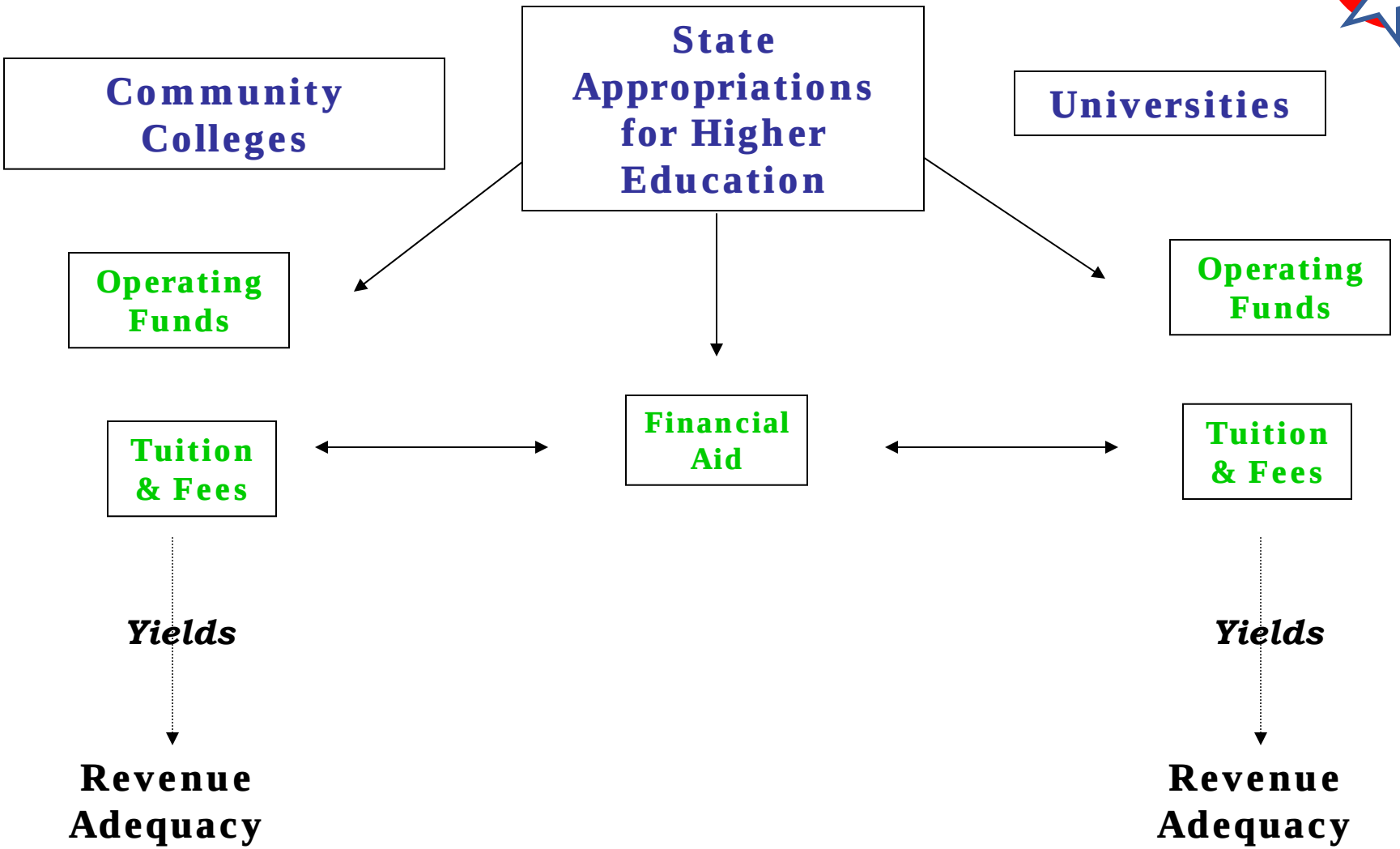
- Student Vouchers
- The South Carolina Experiment
- Tuition Discounting
- Differential Tuition Rates
- Professional Schools as Self Sufficient Entities
- Significantly Expand TSAC Programs
- Maintain status quo

Equity **Access** **Quality**

Systems Theory and Higher Education



Systems Theory and Higher Education




TENNESSEE
HIGHER EDUCATION COMMISSION